Public Accounts

of the province of

Prince Edward Island

Volume II

Details of Revenues and Expenditures
Financial Statements of Agencies and Crown Corporations

For the Year Ended March 31st

2001

Province of Prince Edward Island
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For the Fiscal Year Ended March 31, 2001

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Summary

Of

Ordinary Revenues And Expenditures

For the Year Ended March 31, 2001

PROVINCE OF PRINCE EDWARD ISLAND
SUMMARY OF ORDINARY REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 2001

	Expenditures $	Federal Revenue $	Provincial Revenue $	Net Expenditures (Revenue) $
Department of Agriculture & Forestry				
Corporate and Financial Services	8,877,216	1,217,510	30	7,659,676
Strategic Planning and Measurement	593,045	-	-	593,045
Natural Resources	7,379,049	-	1,826,142	5,552,907
Market and Industry Development	7,557,232	464,661	168,884	6,923,687
Plant Health and Regulatory Services	26,448,532	13,397,609	221,780	12,829,143
Francophone Affairs	658,106	418,745	-	239,361
TOTAL Agriculture & Forestry	51,513,180	15,498,525	2,216,836	33,797,819
PEI Grain Elevators Corporation				
PEI Grain Elevators Corporation	316,228	-	-	316,228
TOTAL PEI Grain Elevators Corporation	316,228	-	-	316,228
Office of the Attorney General				
Policy and Administration	641,546	215	-	641,331
Legal and Judicial Services	14,464,651	394,714	3,181,587	10,888,350
Consumer, Corporate and Insurance	1,089,292	194,549	11,977,559	(11,082,816)
Crown Attorney	858,048	-	-	858,048
Community and Correctional Services	10,721,064	2,305,869	294,304	8,120,891
TOTAL Attorney General	27,774,601	2,895,347	15,453,450	9,425,804
Auditor General				
Administration	1,069,700	-	-	1,069,700
TOTAL Auditor General	1,069,700	-	-	1,069,700
Department of Community and Cultural Affairs				
Policy and Administration	2,684,011	275,706	400	2,407,905
Planning and Inspection Services	5,765,773	263,926	771,368	4,730,479
Labour and Industrial Relations	454,779	-	96,125	358,654
Provincial Libraries and Public Archives	2,242,842	485,885	213	1,756,744
Culture, Heritage, Recreation and Sports	2,328,278	-	-	2,328,278
P.E.I. Museum and Heritage Foundation	773,370	-	-	773,370
TOTAL Community and Cultural Affairs	14,249,053	1,025,517	868,106	12,355,430
Department of Development and Technology				
Department Management	544,973	-	-	544,973
Policy and Planning	379,234	5,000	-	374,234
Energy Development	234,167	-	60,923	173,244
Access PEI	2,512,635	290,000	36,395	2,186,240
Community and Labour Market Development	2,083,384	113,482	755,427	1,214,475
Regional Economic Development Agreement	7,632,901	3,865,044	2,252,900	1,514,957
TOTAL Development and Technology	13,387,294	4,273,526	3,105,645	6,008,123

PROVINCE OF PRINCE EDWARD ISLAND
SUMMARY OF ORDINARY REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 2001

	Expenditures $	Federal Revenue $	Provincial Revenue $	Net Expenditures (Revenue) $
Technology Asset Management				
Technology Asset Management	495,139	-	-	495,139
TOTAL Technology Asset Management	495,139	-	-	495,139
PEI Business Development Inc				
PEI Business Development Inc	44,383,800	107,757	7,096,200	37,179,843
TOTAL PEI Business Development Inc	44,383,800	107,757	7,096,200	37,179,843
Employment Development Agency				
Management	341,460	-	-	341,460
Forestry Projects	367,536	-	-	367,536
Job Creation and Placement	3,686,517	-	-	3,686,517
Jobs for Youth	1,100,010	-	1,791	1,098,219
TOTAL Employment Development Agency	5,495,523	-	1,791	5,493,732
PEI Energy Corporation				
Operations	299,500	-	-	299,500
TOTAL PEI Energy Corporation	299,500	-	-	299,500
Department of Education				
Corporate Planning	580,989	-	-	580,989
Corporate Services & School Board Operations	136,497,650	2,162,894	999,195	133,335,561
Public Education	1,873,062	-	1,769,350	103,712
English Programs	3,039,419	125,072	329	2,914,018
French Programs	1,429,414	26,942	-	1,402,472
Student Services	1,781,446	-	-	1,781,446
Continuing Education and Training	45,924,169	4,327,012	10,185	41,586,972
TOTAL Department of Education	191,126,149	6,641,920	2,779,059	181,705,170
Island Regulatory and Appeals Commission				
Operating Grant	1,065,100	-	-	1,065,100
TOTAL Island Regulatory and Appeals Comm.	1,065,100	-	-	1,065,100
Executive Council				
Premiers Office	592,157	-	-	592,157
Executive Council Office	1,100,639	-	-	1,100,639
Planning and Research	311,355	118,285	-	193,070
Intergovernmental Affairs	239,347	-	-	239,347
TOTAL Executive Council	2,243,498	118,285	-	2,125,213

PROVINCE OF PRINCE EDWARD ISLAND
SUMMARY OF ORDINARY REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 2001

	Expenditures $	Federal Revenue $	Provincial Revenue $	Net Expenditures (Revenue) $
Department of Fisheries, Aquaculture & Environment				
Department Management	255,114	-	-	255,114
Pollution Prevention	1,144,619	-	41,663	1,102,956
Water Resources	1,801,450	56,500	546,523	1,198,427
Fish and Wildlife	1,474,193	21,655	521,301	931,237
Administration	399,159	-	-	399,159
Corporate Services	741,147	8,000	-	733,147
Fisheries and Aquaculture	2,255,216	17,492	38,682	2,199,042
TOTAL Fisheries, Aquaculture & Environment	8,070,898	103,647	1,148,169	6,819,082
Department of Health and Social Services				
Corporate Services	1,180,436	14,750	258,700	906,986
Office of the Chief Health Officer	550,640	246,624	56,562	247,454
Medical Services	40,627,812	-	644,418	39,983,394
Finance and Administration	8,327,957	2,830,318	940,257	4,557,382
Health Informatics and Vital Statistics	4,579,352	-	247,200	4,332,152
Acute and Continuing Care	22,205,443	115,784	1,575	22,088,084
Public Health and Evaluation Services	1,379,588	194,393	163,373	1,021,822
Child, Family and Community Services	6,145,823	1,070,287	8,544	5,066,992
In-Province Acute Care Hospital	94,522,400	-	3,104,100	91,418,300
Regional Services	148,885,303	183,948	16,515,375	132,185,980
TOTAL Health and Social Services	328,404,754	4,656,104	21,940,104	301,808,546
East Prince Health Facility				
East Prince Health Facility	5,894,881	-	-	5,894,881
TOTAL East Prince Health Facility	5,894,881	-	-	5,894,881
Legislative Assembly				
Legislative Services	1,189,392	-	-	1,189,392
Members	1,373,746	-	-	1,373,746
Office of the Conflict of Interest Commissioner	28,067	-	-	28,067
Commonwealth Parliamentary Association	150,988	-	-	150,988
Elections	910,273	-	5,000	905,273
TOTAL Legislative Assembly	3,652,466	-	5,000	3,647,466
Department of the Provincial Treasury				
Administration	485,514	-	-	485,514
Fiscal Management	871,983	347,709,503	178,016,186	(524,853,706)
Policy and Evaluation	466,147	-	225,077	241,070
Taxation and Property Records	5,329,267	-	273,520,700	(268,191,433)
Office of the Comptroller	1,605,251	-	304,186	1,301,065
Information Services	3,504,018	-	199,221	3,304,797
Economics, Statistics & Federal Fiscal Relations	446,428	-	-	446,428
Information Technology Management Group	4,182,105	-	32,392	4,149,713
TOTAL Department of the Provincial Treasury	16,890,713	347,709,503	452,297,762	(783,116,552)

PROVINCE OF PRINCE EDWARD ISLAND
SUMMARY OF ORDINARY REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 2001

	Expenditures $	Federal Revenue $	Provincial Revenue $	Net Expenditures (Revenue) $
General Government				
Miscellaneous General	262,791	-	970	261,821
Grants	1,753,213	-	-	1,753,213
Government Insurance Program	791,332	-	29,887	761,445
Municipal Grants	1,317,760	-	14,624	1,303,136
Contingency Fund	2,623,607	-	-	2,623,607
TOTAL General Government	6,748,703	-	45,481	6,703,222
PEI Lending Agency				
General	786,400	-	-	786,400
Total PEI Lending Agency	786,400	-	-	786,400
Council of Maritime Premiers				
Maritime Provinces Education Foundation	16,129	-	-	16,129
Council of Maritime Premiers Secretariat	79,197	-	-	79,197
Maritime Municipal Training & Development Brd	14,213	-	-	14,213
Maritime Prov. Higher Education Commission	65,551	-	-	65,551
Geomatics Board	8,610	-	-	8,610
TOTAL Council of Maritime Premiers	183,700	-	-	183,700
Interministerial Women's Secretariat				
Interministerial Women's Secretariat	317,387	-	-	317,387
TOTAL Interministerial Women's Secretariat	317,387	-	-	317,387
Public Service Commission				
Management	1,721,217	-	-	1,721,217
Employee Relations	1,652,703	-	207,722	1,444,981
Staff Development	1,004,013	70,000	198,969	735,044
Staffing	942,459	33,560	506,300	402,599
TOTAL Public Services Commission	5,320,392	103,560	912,991	4,303,841
Employee Benefits				
Medical and Life Benefits	431,647	-	-	431,647
Employee Future Benefits	7,615,181	-	-	7,615,181
Government Pensions Contribution	7,768,283	3,815	-	7,764,468
Pension Management	80,167	-	-	80,167
TOTAL Employee Benefits	15,895,278	3,815	-	15,891,463

PROVINCE OF PRINCE EDWARD ISLAND
SUMMARY OF ORDINARY REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 2001

	Expenditures $	Federal Revenue $	Provincial Revenue $	Net Expenditures (Revenue) $
Department of Tourism				
Department Management	139,086	-	-	139,086
TOTAL Tourism	139,086	-	-	139,086
Tourism PEI				
Tourism PEI Inc	10,109,747	161,880	1,230,681	8,717,186
TOTAL Tourism PEI	10,109,747	161,880	1,230,681	8,717,186
Liquor Control Commission				
General	-	-	10,034,740	(10,034,740)
TOTAL Liquor Control Commission	-	-	10,034,740	(10,034,740)
Department of Transportation and Public Works				
Departmental Management	1,519,565	-	-	1,519,565
Highway Safety Operations	2,025,851	147,200	11,110,340	(9,231,689)
Environment Management	433,805	-	-	433,805
Highway Maintenance Operations	40,378,476	-	1,654,871	38,723,605
Public Works Operations	15,589,237	10,000	559,080	15,020,157
Capital Project Division	8,150,649	20,000	18,731	8,111,918
Planning, Development & Building Construction	1,228,096	-	-	1,228,096
Provincial Waste Management	913,534	-	-	913,534
TOTAL Transportation and Public Works	70,239,213	177,200	13,343,022	56,718,991
Interest Charges on Debt				
Interest	107,178,328	-	11,806,026	95,372,302
Amortization of Debenture Discount	564,906	-	-	564,906
TOTAL Debt Charges	107,743,234	-	11,806,026	95,937,208
TOTAL PROVINCE	**933,815,617**	**383,476,586**	**544,285,063**	**6,053,968**

Details

Of

Ordinary Revenues With Estimates

For the Year Ended March 31, 2001

DEPARTMENT OF AGRICULTURE AND FORESTRY

	REVENUE $	ESTIMATES $
CORPORATE AND FINANCIAL SERVICES		
Farm Income Risk Management		
Federal		
Crop Insurance	1,217,510	312,200
Fees and Services		
Miscellaneous	30	-
Total Corporate and Financial Services	**1,217,540**	**312,200**
NATURAL RESOURCES		
Production Development		
Sales		
JF Gaudet Tree Nursery	104,192	130,000
	104,192	130,000
Provincial Forests Program		
Sales		
Forestry Sales	189,476	224,600
	189,476	224,600
Private Land Program		
Fees and Services		
Forestry Establishment Fees	55,627	75,000
Forestry Checkoff	361,260	303,000
	416,887	378,000
Resource Inventory and Modelling		
Fees and Services		
Special Funds	108,700	-
Sales		
Miscellaneous	4,551	5,500
	113,251	5,500
Sustainable Agriculture Resources		
Fees and Services		
Special Funds	1,000,000	-
Miscellaneous	2,336	-
	1,002,336	-
Total Natural Resources	**1,826,142**	**738,100**
MARKET AND INDUSTRY DEVELOPMENT		
Division Management		
Licenses and Permits		
Miscellaneous	54	-
	54	-

DEPARTMENT OF AGRICULTURE AND FORESTRY

Continued

	REVENUE $	ESTIMATES $
Farm Business Management Initiative		
Federal		
Farm Business Management	22,703	60,000
	22,703	60,000
PRDP Agriculture		
Federal		
Economic Regional Development Agreement	336,376	560,000
	336,376	560,000
Soil and Feed Lab		
Fees and Services		
Soil and Feed Lab Fees	140,621	120,000
	140,621	120,000
Dairy Lab		
Fees and Services		
Dairy Lab Fees	27,282	12,600
	27,282	12,600
Industry Development		
Federal		
Atlantic Freight Transition Program	105,583	450,000
	105,583	450,000
Farm Extension Services		
Fees and Services		
Miscellaneous	385	1,500
Sales		
Miscellaneous	541	-
	926	1,500
Total Market and Industry Development	633,545	1,204,100
PLANT HEALTH AND REGULATORY SERVICES		
Division Management/Regulatory Services		
Federal		
Miscellaneous	13,397,609	-
Licenses and Permits		
Miscellaneous	1,191	2,400
Fees and Services		
Miscellaneous	10,166	-
	13,408,966	2,400
Plant Health and Siagnostics Program		
Fees and Services		
Disinfection Fees	11	-
Miscellaneous	61,782	70,400
	61,793	70,400

DEPARTMENT OF AGRICULTURE AND FORESTRY

Continued

	REVENUE $	ESTIMATES $
Pesticides Regulatory Program		
Licenses and Permits		
Miscellaneous	2,642	2,000
Fees and Services		
Miscellaneous	2,562	3,500
Sales		
Miscellaneous	724	1,000
	5,928	6,500
Potato Quality Program		
Fees and Services		
Disinfection Fees	142,702	200,000
	142,702	200,000
Total Plant Health and Regulatory Services	**13,619,389**	**279,300**
FRANCOPHONE AFFAIRS		
Francophone Affairs		
Federal		
French Language Training	371,003	138,500
Miscellaneous	41,692	67,700
	412,695	206,200
Acadian Communities Advisory Council		
Federal		
French Language Training	6,050	6,700
	6,050	6,700
Total Francophone Affairs	**418,745**	**212,900**
TOTAL AGRICULTURE AND FORESTRY	**17,715,361**	**2,746,600**

OFFICE OF THE ATTORNEY GENERAL

	REVENUE $	ESTIMATES $
POLICY AND ADMINISTRATION		
Constitutional Review/Native Council		
Federal		
Miscellaneous	215	-
	215	-
Justice/Correction Policy		
Federal		
Safer Communities Strategy	-	17,600
	-	17,600
Total Policy and Administration	215	17,600
LEGAL AND JUDICIAL SERVICES		
Administration		
Federal		
Miscellaneous	100,000	50,000
Fees and Services		
Miscellaneous	510,929	-
	610,929	50,000
Judicial Services		
Fees and Services		
Court Fees	128,149	-
Probate Court Fees	224,610	-
Fines & Penalties	591,526	935,900
Miscellaneous	91,088	-
	1,035,373	935,900
Sheriff's Office		
Fees and Services		
Sheriff Fees	128,646	165,000
	128,646	165,000
Legal Aid		
Federal		
Legal Aid	294,714	180,000
	294,714	180,000
RCMP		
Fees and Services		
RCMP Recoveries	697,724	710,000
	697,724	710,000
Courthouse Automation Project		
Fees and Services		
Probate Court Fees	808,915	861,000
	808,915	861,000
Total Legal and Judicial Services	3,576,301	2,901,900

OFFICE OF THE ATTORNEY GENERAL

Continued

	REVENUE $	ESTIMATES $
CONSUMER, CORPORATE AND INSURANCE		
Corporate Services		
Licenses and Permits		
Companies Act	361,708	326,000
Registration and Licensing Act	674,772	575,000
Securities Act	1,451,183	720,000
Corporation Securities Act	450	-
Securities, Brokers and Salesmen	1,084,900	500,000
Partnership Act	105,290	75,000
Fees and Services		
Company Inspection Fees	1,240	5,000
Miscellaneous	1,913	700
	3,681,456	2,201,700
Consumer Services		
Federal		
Gun Control	194,549	220,000
Licenses and Permits		
Securities Act	200	-
Provincial Lotteries	247,004	235,000
Film Act	4,220	5,000
P.I. Security Guards Act	14,440	10,000
Collecting Agency Act	6,400	4,000
Direct Sellers Act	5,500	7,000
Auctioneers Act	600	1,200
Miscellaneous	41,899	35,000
Fees and Services		
Engineer Fees	50	-
	514,862	517,200
Insurance Services		
Licenses and Permits		
Insurance Act	154,555	140,000
Real Estate Agents	8,575	5,000
Miscellaneous	56,991	60,000
Fees and Services		
Third Party Insurance	1,557,586	1,500,000
Miscellaneous	5,685	8,000
Taxes		
Insurance Premium Taxes	5,944,149	5,200,000
Fire Prevention Tax Act	248,249	250,000
	7,975,790	7,163,000
Total Consumer, Corporate and Insurance	**12,172,108**	**9,881,900**

OFFICE OF THE ATTORNEY GENERAL

Continued

	REVENUE $	ESTIMATES $
COMMUNITY AND CORRECTIONAL SERVICES		
Division Management		
Federal		
Young Offenders	2,183,032	2,172,600
Miscellaneous	20,000	-
	2,203,032	2,172,600
Provincial Correctional Centre		
Federal		
Exchange of Service Agreement	35,562	75,000
Sales		
Meals	81,091	9,000
	116,653	84,000
Prince County Correctional Centre		
Sales		
Meals	1,907	3,500
	1,907	3,500
Probation/Family Counseling		
Fees and Services		
Miscellanous	5,778	-
	5,778	-
Tyne Valley Youth Centre		
Sales		
Meals	6,528	4,800
	6,528	4,800
Georgetown Youth Centre		
Federal		
Special Income Assistance	7,024	-
Sales		
Meals	6,624	6,000
	13,648	6,000
Summerside Youth Centre		
Federal		
Special Income Assistance	28,301	-
Allowance for Young Offenders	-	32,000
Sales		
Meals	21,569	37,200
	49,870	69,200
Victim Services		
Federal		
Miscellaneous	31,950	-
Fees and Services		
Court Fees	2,495	-
RCMP Recoveries	5,500	-
Victims Surcharge-Federal	36,373	34,000
Victims Surcharge-Provincial	120,939	140,000
Miscellaneous	5,500	-
	202,757	174,000
Total Community and Correctional Services	**2,600,173**	**2,514,100**
TOTAL OFFICE OF THE ATTORNEY GENERAL	**18,348,797**	**15,315,500**

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

	REVENUE $	ESTIMATES $
POLICY AND ADMINISTRATION		
Administration		
Federal		
Maintanence Enforcement	275,706	-
Sales		
Miscellaneous	200	1,000
	275,906	1,000
Infrastructure		
Licenses and Permits		
Auctioneers Act	200	-
	200	-
Total Policy and Administration	276,106	1,000
PLANNING AND INSPECTION SERVICES		
Administration		
Fees and Services		
OP / Maintenance	14	-
Sales		
Geomatics Services	12,718	-
	12,732	-
Building and Development		
Licenses and Permits		
Sub-Division Permits	57,550	40,000
Sewage Disposal Permits	70,953	80,000
Building Permits	96,878	80,000
Fees and Services		
Entry Way Permits	1,550	-
	226,931	200,000
Joint Emergency Preparedness		
Federal		
Emergency Measures Organization	140,366	155,100
	140,366	155,100
Electrical Inspection		
Fees and Services		
Electrical Inspection Fees	266,038	267,000
	266,038	267,000
Boiler and Plumbing Inspection		
Federal		
Federal Boiler Inspection Fees	53,560	50,000
Fees and Services		
Plumbing Permits	72,725	50,000
Boiler Inspection Fees	125,083	117,000
Engineers Fees	31,147	25,000
	282,515	242,000

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS Continued

	REVENUE $	ESTIMATES $
911 Project		
Federal		
French Services	70,000	-
Sales		
Sign Fees	36,712	-
	106,712	-
Total Planning and Inspection Services	**1,035,294**	**864,100**
LABOUR AND INDUSTRIAL RELATIONS		
Administration		
Fees and Services		
Fees - Workers Compensation Board	96,125	79,500
Total Labour and Industrial Relations	**96,125**	**79,500**
PROVINCIAL LIBRARIES AND PUBLIC ARCHIVES		
French Library Services		
Federal		
French Services	75,055	61,200
Fees and Services		
Miscellaneous	213	-
Sales		
Miscellaneous	-	3,000
	75,268	64,200
Public Archives and Records Office		
Federal		
Miscellaneous	-	20,000
Sales		
Miscellaneous	-	3,000
	-	23,000
Culture, Heritage, Recreation and Sports		
Federal		
French Services	371,500	380,800
	371,500	380,800
General		
Federal		
French Services	39,330	-
	39,330	-
Total Provincial Libraries and Public Archives	**486,098**	**468,000**
TOTAL COMMUNITY & CULTURAL AFFAIRS	**1,893,623**	**1,412,600**

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY

	REVENUE $	ESTIMATES $
POLICY AND PLANNING		
Administration		
Federal		
Miscellaneous	5,000	-
Total Policy and Planning	5,000	-
ENERGY DEVELOPMENT		
Energy Development		
Licenses & Permits		
Gas & Oil Licenses	60,923	50,000
Total Energy and Minerals	60,923	50,000
ACCESS PEI		
Management		
Federal		
French Language Training	33,650	31,700
	33,650	31,700
Summerside		
Federal		
French Language Training	114,850	68,000
Sales		
Miscellaneous	12,376	4,000
	127,226	72,000
Souris		
Federal		
French Language Training	-	13,900
Sales		
Miscellaneous	3,746	1,500
	3,746	15,400
West Prince		
Federal		
French Language Training	9,000	11,200
Sales		
Miscellaneous	8,754	12,500
	17,754	23,700
Southern Kings and Queens		
Sales		
Miscellaneous	7,018	3,000
	7,018	3,000
Evangeline		
Federal		
French Language Training	75,000	82,500
Sales		
Miscellaneous	4,210	6,000
	79,210	88,500

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY

Continued

	REVENUE $	ESTIMATES $
Tignish		
Federal		
French Language Training	40,000	41,400
Licenses and Permits		
Motor Vehicle Licenses and Permits	75	-
Sales		
Miscellaneous	216	-
	40,291	41,400
Riverside Drive		
Federal		
French Language Training	17,500	11,600
Total Access PEI	326,395	287,300
COMMUNITY AND LABOUR MARKET DEVELOPMENT		
Federal		
French Language Training	19,747	16,900
Community & Labour Market Development	93,735	143,000
Fees and Services		
Workshop Fees	3,000	2,800
Special Funds	752,427	-
Total Community and Labour Market Development	868,909	162,700
REGIONAL ECONOMIC DEVELOPMENT AGREEMENT		
Federal		
Economic Regional Development Agreement	3,865,044	4,205,000
Fees and Services		
Special Funds	2,252,900	-
Total Regional Economic Development Agreement	6,117,944	4,205,000
TOTAL DEPARTMENT OF DEVELOPMENT & TECHNOLOGY	7,379,171	4,705,000

P.E.I. BUSINESS DEVELOPMENT INC.

	REVENUE $	ESTIMATES $
BUSINESS DEVELOPMENT		
Infrastructure Assistance Provincial		
Fees and Services		
Special Funds	4,700,000	-
	4,700,000	-
Small Business Support		
Fees and Services		
Special Funds	2,000,000	-
	2,000,000	-
Official Language		
Federal		
French Language Training	3,500	5,000
	3,500	5,000
Technology PEI		
Federal		
Technology PEI Community Access	104,257	-
Fees and Services		
Special Funds	396,200	-
	500,457	-
Total Development Assistance	7,203,957	5,000
TECHNOLOGY PEI INC.		
Federal		
Technology PEI Community Access	-	280,000
Total Technology PEI Inc.	-	280,000
TOTAL P.E.I. BUSINESS DEVELOPMENT INC	7,203,957	285,000

EMPLOYMENT DEVELOPMENT AGENCY

	REVENUE $	ESTIMATES $
JOBS FOR YOUTH		
Public Sector		
Sales		
Miscellaneous	1,791	-
TOTAL EMPLOYMENT DEVELOPMENT AGENCY	1,791	-

DEPARTMENT OF EDUCATION

	REVENUE $	ESTIMATES $
CORPORATE SERVICES AND SCHOOL BOARD OPERATIONS		
Administration		
Federal		
Special Income Assistance	1,041	-
Sales		
Miscellaneous	119,168	128,400
Taxes		
Miscellaneous	125	-
	120,334	128,400
Systems and Technology Services		
Federal		
Miscellaneous	72,253	71,600
Fees and Services		
Special Funds	100,000	-
	172,253	71,600
Grants to School Boards		
Federal		
Minority & Second Language	2,089,600	1,468,600
Fees and Services	-37,546	-
Tuition Reimbursement	193,448	250,500
Special Funds	623,800	-
Sales		
Land	200	-
	2,869,502	1,719,100
Total Corporate Services and School Board Operations	3,162,089	1,919,100
PUBLIC EDUCATION		
General		
Fees and Services		
High School Testing Fees	15,450	-
	15,450	-
Kindergarten		
Fees and Services		
Special Funds	1,753,900	-
	1,753,900	-
Total Public Education	1,769,350	-
ENGLISH PROGRAMS		
Programs - General		
Fees and Services		
High School Testing Fees	329	2,500
	329	2,500

DEPARTMENT OF EDUCATION

Continued

	REVENUE $	ESTIMATES $
Technology		
Federal		
Miscellaneous	125,072	-
	125,072	-
Total English Programs	**125,401**	**2,500**
FRENCH PROGRAMS		
Federal		
Miscellaneous	26,942	-
Total French Programs	**26,942**	**-**
CONTINUING EDUCATION AND TRAINING		
Apprenticeship and Training		
Fees and Services		
Miscellaneous	10,185	6,200
	10,185	6,200
Post Secondary Grants		
Federal		
Student Loan Administration	218,464	216,000
Community & Labour Market Development	4,108,548	4,075,000
	4,327,012	4,291,000
Total Continuing Education and Training	**4,337,197**	**4,297,200**
TOTAL DEPARTMENT OF EDUCATION	**9,420,979**	**6,218,800**

EXECUTIVE COUNCIL

	REVENUE $	ESTIMATES $
PLANNING AND RESEARCH		
Planning ERDA		
Federal		
Economic Regional Development	118,285	130,000
TOTAL EXECUTIVE COUNCIL	**118,285**	**130,000**

DEPARTMENT OF FISHERIES, AQUACULTURE AND ENVIRONMENT

	REVENUE $	ESTIMATES $
POLLUTION PREVENTION		
Adminsitration		
Licenses and Permits		
Miscellaneous	4,350	2,000
	4,350	2,000
Air and Hazardous Materials		
Licenses and Permits		
Ozone Permits	10,954	7,500
Air Quality Permits	800	1,000
Junkyard Licenses	4,140	3,000
Sales		
Miscellaneous	16,172	6,900
	32,066	18,400
Pollution Prevention		
Fees and Services		
Miscellaneous	5,247	25,000
	5,247	25,000
Total Pollution Prevention	**41,663**	**45,400**
WATER RESOURCES		
Adminsitration		
Licenses and Permits		
Radiation Surveillance	129,915	45,000
Water Certification	112,119	130,000
Well Drillers Licenses	700	1,200
	242,734	176,200
Rivers and Estuaries		
Licenses and Permits		
Irrigation Permits	3,900	8,000
Radiation Surveillance	23,958	20,000
Septic Pumper Licenses	300	7,000
Fees and Services		
Sand Mining	18,181	10,500
	46,339	45,500
Groundwater		
Fees and Services		
Special Funds	213,500	-
	213,500	-

DEPARTMENT OF FISHERIES, AQUACULTURE AND ENVIRONMENT Continued

	REVENUE $	ESTIMATES $
Engineering and Utilities		
Licenses and Permits		
Septic Pumper Licenses	2,133	-
Fees and Services		
Site Assessment	155	-
Sales		
Geomatics Services	41,662	45,000
	43,950	45,000
Shellfish Program		
Federal		
Shellfish Monitoring	56,500	55,000
	56,500	55,000
Total Water Resources	603,023	321,700
FISH AND WILDLIFE		
Adminsitration		
Federal		
Miscellaneous	6,000	-
Licenses and Permits		
Fish and Game Licenses	273,846	355,500
Miscellaneous	69,741	-
Fees and Services		
Firearm Safety Administration	10,535	10,500
Course Fees - Firearm Safety	24,908	10,000
Sales		
Miscellaneous	656	5,000
	385,686	381,000
Wetland Management		
Federal		
Wetland Management	9,967	10,000
Fees and Services		
Wetland Management Program	141,615	140,200
	151,582	150,200
Habitat Protection and Enhancement		
Federal		
Migratory Bird Program	5,688	3,000
	5,688	3,000
Total Fish and Wildlife	542,956	534,200
CORPORATE SERVICES		
Investigation and Enforcement		
Federal		
French Language Training	4,000	12,900
Miscellaneous	4,000	-
Total Corporate Services	8,000	12,900

DEPARTMENT OF FISHERIES, AQUACULTURE AND ENVIRONMENT Continued

	REVENUE $	ESTIMATES $
FISHERIES AND AQUACULTURE		
Division Management		
Federal		
Miscellaneous	17,492	-
	17,492	-
Services		
Fees and Services		
Miscellaneous	36,462	30,000
	36,462	30,000
Aquaculture		
Sales		
Miscellaneous	2,220	5,000
	2,220	5,000
Total Fisheries and Aquaculture	56,174	35,000
TOTAL FISHERIES, AQUACULTURE & ENVIRONMENT	1,251,816	949,200

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

	REVENUE $	ESTIMATES $
CORPORATE SERVICES		
General Office		
Fees and Services		
Special Funds	258,700	-
	258,700	-
Human Resource Management		
Federal		
French Language Training	14,750	17,800
	14,750	17,800
Total Corporate Services	273,450	17,800
OFFICE OF THE CHIEF HEALTH OFFICER		
Other Research Projects		
Federal		
Miscellaneous	246,624	204,000
Federal		
Miscellaneous	56,562	-
Total Office of the Chief Health Officer	303,186	204,000
MEDICAL SERVICES		
Fees and Services		
Special Funds	530,000	-
Miscellaneous	104,364	-
Sales		
Miscellaneous	10,054	-
Total Medical Services	644,418	-
FINANCE AND ADMINISTRATION		
Finance and Administration		
Federal		
French Language Training	57,700	-
Children-In-Care Special Allowance	362,995	210,000
Housing Federal Revenue	2,148,971	1,767,000
Maintenance of Indian Children in Care	75,787	100,000
CPP Orphaned Child	-	5,000
Miscellaneous	184,865	287,300
Fees and Services		
Patient Fees	25,578	-
Gertrude Cotton Trust	5,100	6,000
OP / Maintenance	1,640	-
Miscellaneous	31,294	2,900
Sales		
Home Housing Authority	127,680	200,000
Miscellaneous	24	-
Investment - Agencies & Crown Corporation Surpluses	728,497	750,000
	3,750,131	3,328,200

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	REVENUE $	ESTIMATES $
Financial Planning		
Fees and Services		
OP / Maintenance	20,444	-
	20,444	-
Total Finance, Administration and Health Information	**3,770,575**	**3,328,200**
HEALTH INFORMATICS AND VITAL STATISTICS		
Vital Statistics		
Licenses and Permits		
Marriage Licenses	81,800	90,000
Fees and Services		
Vital Statistics Fees	165,242	135,400
Course Fees	40	-
Sales		
Miscellaneous	118	-
Total Health Informatics and Vital Statistics	**247,200**	**225,400**
ACUTE AND CONTINUING CARE		
General Office		
Fees and Services		
Miscellaneous	500	-
	500	-
Acute Care		
Fees and Services		
Miscellaneous	70	50,000
	70	50,000
Continuing Care		
Federal		
Miscellaneous	115,784	38,900
Licenses and Permits		
Nursing Home Licenses	1,000	800
Miscellaneous	5	-
	116,789	39,700
Total Acute and Continuing Care	**117,359**	**89,700**
PUBLIC HEALTH AND EVALUATION SERVICES		
General Office		
Federal		
Miscellaneous	1,606	-
	1,606	-
Measurement and Accountability		
Fees and Services		
Special Funds	145,300	-
	145,300	-

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	REVENUE $	ESTIMATES $
Health Information Resource Centre		
Federal		
Miscellaneous	68,100	257,200
Fees and Services		
Miscellaneous	18,073	18,500
	86,173	275,700
Heart Health Program		
Federal		
PEI Heart Health Program	-	9,800
	-	9,800
Reproductive Care Program		
Federal		
Miscellaneous	124,687	144,600
	124,687	144,600
Total Health and Evaluation Services	357,766	430,100
CHILD, FAMILY AND COMMUNITY SERVICES		
Child Welfare		
Fees and Services		
Adoption Fees	3,595	2,000
	3,595	2,000
Community Services		
Federal		
Rehabilitation Program	-	500,000
Alcohol & Drug Treatment	327,136	305,000
Licenses and Permits		
Child Care Facility	4,549	3,000
Fees and Services		
Miscellaneous	200	-
	331,885	808,000
Income Security		
Federal		
Rehabilitation Program	743,151	-
Fees and Services		
Miscellaneous	200	-
	743,351	-
Total Child, Family and Community Services	1,078,831	810,000
IN-PROVINCE ACUTE CARE HOSPITAL		
General		
Fees and Services		
Special Funds	3,104,100	2,227,900
Total In-Province Acute Care Hospital	3,104,100	2,227,900

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	REVENUE $	ESTIMATES $
REGIONAL SERVICES		
Federal		
French Language Training	183,425	234,800
CPP Orphaned Child	523	300
Fees and Services		
Patient Fees	9,527,254	8,407,400
Professional Services	10,220	12,000
OP/Maint	-	300
Meat Inspection	29,392	103,200
Housing Rental	4,407,309	4,413,400
Pre-Natal Registration	160	16,000
Homemaker Fees	21,921	26,600
Special Funds	2,289,500	1,154,200
Sales		
Meals	191,772	186,000
PHN Immunization Fees	37,627	32,000
Gift Shop Sales	-	1,800
Miscellaneous	220	-
Total Regional Services	16,699,323	14,588,000
TOTAL HEALTH AND SOCIAL SERVICES	**26,596,208**	**21,921,100**

LEGISLATIVE ASSEMBLY

	REVENUE $	ESTIMATES $
LEGISLATIVE SERVICES		
Fees and Services		
Miscellaneous	-	300
Total Legislative Services	**-**	**300**
ELECTIONS		
General		
Fees and Services		
Miscellaneous	5,000	-
Total Elections	**5,000**	**-**
TOTAL LEGISLATIVE ASSEMBLY	**5,000**	**300**

DEPARTMENT OF THE PROVINCIAL TREASURY

	REVENUE $	ESTIMATES $
FISCAL MANAGEMENT		
Administration		
Federal		
Equalization	270,328,000	244,852,000
Canada Health & Social Transfer	76,706,995	74,445,000
Statutory Subsidy	674,508	674,000
Fees and Services		
Miscellaneous	105,765	117,400
Investment		
Miscellaneous	1,373	-
Taxes		
Personal Income Tax	141,424,626	147,500,000
Corporate Income Tax	36,484,422	30,262,000
Total Fiscal Management	**525,725,689**	**497,850,400**
POLICY AND EVALUATION		
Risk Management and Insurance		
Fees and Services		
Self Insurance Rebate	225,077	183,300
Miscellaneous	-	50,000
Total Policy and Evaluation	**225,077**	**233,300**
TAXATION AND PROPERTY RECORDS		
Administration		
Fees and Services		
Registry of Deeds Fees	1,614,026	1,400,000
Tax Certificate Fees	9,427	23,000
Sales		
Lottery Commission	14,174,209	13,500,000
Advertising Sales	277	-
Home Housing Authority	12	-
Microfiche Sales	6,864	7,300
Geomatics Library	5,578	35,000
Geomatics Services	65,490	45,000
Miscellaneous	10,583	11,000
Taxes		
Health Tax on Liquor	10,407,639	9,977,200
Health Tax on Tobacco	14,296,857	14,770,000
Real Property Tax	45,236,865	43,500,000
Revenue Tax	153,020,458	150,000,000
Gasoline Tax	32,941,783	34,164,400
Insurance Premium Tax	60	-
Corporation Capital Tax	1,464,413	1,650,000
Room Tax	10	-
Environmental Tax	266,149	200,000
Total Taxation and Property Records	**273,520,700**	**269,282,900**

DEPARTMENT OF THE PROVINCIAL TREASURY continued

	REVENUE $	ESTIMATES $
OFFICE OF THE COMPTROLLER		
Expenditure Management		
Fees and Services		
Miscellaneous	7,200	
Sales		
Cheques Written Off	21,606	-
Books	105	-
Miscellaneous	275,275	-
Total Office of the Comptroller	**304,186**	-
INFORMATION SERVICES		
Document Publishing Centre		
Sales		
Miscellaneous	56,345	80,000
	56,345	80,000
Multimedia Services		
Fees and Services		
Miscellaneous	5,539	5,500
Sales		
Miscellaneous	135,003	135,000
	140,542	140,500
Strategic Marketing and Design		
Sales		
Miscellaneous	2,334	5,000
	2,334	5,000
Total Information Services	**199,221**	**225,500**
INFORMATION TECHNOLOGY MANAGEMENT GROUP		
IT Operations		
Licenses and Permits		
Miscellaneous	92	-
	92	-
Telecommunications		
Fees and Services		
Professional Services	32,300	64,600
	32,300	64,600
Total Information Technology Management Group	**32,392**	**64,600**
TOTAL PROVINCIAL TREASURY	**800,007,265**	**767,656,700**

GENERAL GOVERNMENT

	REVENUE $	ESTIMATES $
MISCELLANEOUS GENERAL		
Fees and Services		
Miscellaneous	970	-
Total Miscellaneous General	**970**	**-**
GOVERNMENT INSURANCE PROGRAM		
Fees and Services		
Miscellaneous	29,887	10,000
Total Government Insurance Program	**29,887**	**10,000**
MUNICIPAL GRANTS		
Investment		
Surpus - Agencies and Crown Corporations	14,624	-
Total Government Insurance Program	**14,624**	**-**
TOTAL GENERAL GOVERNMENT	**45,481**	**10,000**

PUBLIC SERVICE COMMISSION

	REVENUE $	ESTIMATES $
EMPLOYEE RELATIONS		
Employee Benefits		
Fees and Services		
Recoverable Pension Cost	187,681	201,200
	187,681	201,200
Personnel Services		
Sales		
Miscellaneous	20,041	-
	20,041	-
Total Employee Relations	**207,722**	**201,200**
STAFF DEVELOPMENT		
Learning Centre		
Fees and Services		
Miscellaneous	29,715	-
	29,715	-
Employee Assistance Programs		
Fees and Services		
Miscellaneous	60,000	60,000
	60,000	60,000
Occupational Health and Safety		
Fees and Services		
Miscellaneous	15,000	15,000
	15,000	15,000
Language Training		
Federal		
French Language Training	70,000	67,700
Fees and Services		
Miscellaneous	915	-
Sales		
Miscellaneous	93,339	102,600
	164,254	170,300
Total Staff Development	**268,969**	**245,300**
STAFFING		
Federal		
French Language Training	33,560	39,000
Fees and Services		
Miscellaneous	506,300	506,300
Total Staffing	**539,860**	**545,300**
TOTAL PUBLIC SERVICE COMMISSION	**1,016,551**	**991,800**

EMPLOYEE BENEFITS

	REVENUE $	ESTIMATES $
EMPLOYEE BENEFITS		
Government Pension Contribution		
Federal		
Community & Labour Market Development	3,815	-
TOTAL EMPLOYEE BENEFITS	**3,815**	**0**

DEPARTMENT OF TOURISM

	REVENUE $	ESTIMATES $
GOLF LINKS INC		
Sales		
Golf Links Inc	-	265,000
TOTAL TOURISM	**0**	**265,000**

TOURISM PEI

	REVENUE $	ESTIMATES $
GENERAL ADMINISTRATION		
Corporate		
Fees and Services		
Campground Fees	11,956	-
Investments		
Interest - Bank Accounts	26,978	-
Total General Administration	**38,934**	**-**
TOURISM DEVELOPMENT		
French Services		
Federal		
French Language Training	161,880	64,900
Total Tourism Development	**161,880**	**64,900**
PARKS		
Brookvale		
Fees and Services		
Membership	2,074	2,000
Golf Course Rentals	88,460	60,000
Fees - Brookvale Ski Park	218,660	148,000
Sales		
Concessions	16,600	10,000
	325,794	220,000
Parks Operations		
Fees and Services		
Campground Fees	625,081	525,400
Golf Course Rentals	16,691	-
Fees - Brookvale Ski Park	10,930	-
Vending Machines	19,988	20,000
Concessions	19,087	-
Miscellaneous	31,241	-
	723,018	545,400
Total Parks	**1,048,812**	**765,400**
TOURISM MARKETING		
Visitor Services		
Fees and Services		
Sign Advertising Fees	-	115,000
Golf Course Rentals	118,312	-
Sales		
Royalty Fees VICs	24,623	15,000
Total Tourism Marketing	**142,935**	**130,000**
TOTAL TOURISM PEI	**1,392,561**	**960,300**

LIQUOR CONTROL COMMISSION

	REVENUE $	ESTIMATES $
GENERAL		
Sales		
Liquor Control Act	10,034,740	10,216,600
TOTAL LIQUOR CONTROL COMMISSION	**10,034,740**	**10,216,600**

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

	REVENUE	ESTIMATES
	$	$
HIGHWAY SAFETY OPERATIONS		
Highway Safety - Administration		
Federal		
National Safety Code	147,200	148,000
Licenses and Permits		
Motor Vehicle Licenses & Permits	11,109,573	10,472,100
Companies Act	40	-
Miscellaneous	-	247,000
Taxes		
Revenue Tax	707	-
Environment Tax	20	-
Total Highway Safety Operations	11,257,540	10,867,100
HIGHWAY MAINTENANCE OPERATIONS		
Maintenance Administration - Western Region		
Fees and Services		
Miscellaneous	125,000	125,000
	125,000	125,000
Maintenance Administration - Central Region		
Fees and Services		
Miscellaneous	146,300	150,000
	146,300	150,000
Maintenance Administration - Eastern Region		
Fees and Services		
Miscellaneous	125,000	125,000
	125,000	125,000
Summer Maintenance - Western Region		
Fees and Services		
Miscellaneous	-	187,800
	-	187,800
Summer Maintenance - Central Region		
Fees and Services		
Miscellaneous	418,000	333,200
Sales		
Miscellaneous	1,824	1,000
	419,824	334,200
Snow Removal - Western Region		
Fees and Services		
Machinery Rental	-	24,300
Miscellaneous	52,609	210,000
	52,609	234,300
Snow Removal - Central Region		
Fees and Services		
Miscellaneous	-	38,700
	-	38,700
Snow Removal - Eastern Region		
Fees and Services		
Machinery Rental	-	24,400
	-	24,400

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS continued

	REVENUE $	ESTIMATES $
Winter Maintenance - Western Region		
Fees and Services		
Machinery Rental	34,277	-
	34,277	-
Winter Maintenance - Central Region		
Fees and Services		
Miscellaneous	9,099	-
Sales		
Salt and Sand	489,353	-
Miscellaneous	246,358	125,000
	744,810	125,000
Winter Maintenance - Eastern Region		
Fees and Services		
Machinery Rental	7,051	-
	7,051	-
Mechanical - Charlottetown Garage - Indirect		
Fees and Services		
Professional Services	-	15,000
	-	15,000
Bridge Maintenance - Operations		
Sales		
Miscellaneous	-	1,000
	-	1,000
Total Highway Maintenance Operations	**1,654,871**	**1,360,400**
PUBLIC WORKS OPERATIONS		
Public Works Operations - Administration		
Fees and Services		
Miscellaneous	124,801	80,000
Sales		
Miscellaneous	81,304	7,400
	206,105	87,400
Building Maintenance Direct - Province House		
Fees and Services		
Public Building Rental	65,145	60,800
	65,145	60,800
Building Maintenance Direct - West Prince RSC		
Fees and Services		
Public Building Rental	29,567	29,000
	29,567	29,000
Building Maintenance Direct - Small Buildings		
Fees and Services		
Public Building Rental	21,457	17,400
	21,457	17,400

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS continued

	REVENUE $	ESTIMATES $
Building Accommodations - Small Lease Accommodations		
Fees and Services		
Public Building Rental	9,907	-
	9,907	-
Building Accommodations - Evangeline RSC		
Federal		
French Language Training	10,000	16,000
Fees and Services		
Public Building Rental	8,967	5,100
	18,967	21,100
Building Accommodations - Cambridge Building		
Fees and Services		
Public Building Rental	8,200	28,300
	8,200	28,300
Building Maintenance Direct - Smallman Building		
Fees and Services		
Public Building Rental	39,740	-
	39,740	-
Properties		
Licenses and Permits		
Motor Vehicle Licenses and Permits	2,220	-
Fees and Services		
Public Land Rentals	167,351	115,000
	169,571	115,000
Properties - Crown Land Management		
Licenses and Permits		
Motor Vehicle Licenses & Permits	421	-
	421	-
Total Public Works Operations	**569,080**	**359,000**
CAPITAL PROJECT DIVISION		
Traffic Operations - Sign Shop		
Federal		
French Language Training	20,000	-
Sales		
Miscellaneous	18,731	10,000
Total Capital Project Division	**38,731**	**10,000**
PROVINCIAL WASTE MANAGEMENT		
Fees and Services		
Waste Reduction Program	-	2,625,800
Miscellaneous	-	7,500
Total Provincial Waste Management	**-**	**2,633,300**
TOTAL TRANSPORTATION AND PUBLIC WORKS	**13,520,222**	**15,229,800**

INTEREST CHARGES ON DEBT

	REVENUE $	ESTIMATES $
Interest		
Federal Lending Program	36,663	36,700
Community Development Fund	5,553	5,600
PEI Lending Authority	7,420,415	6,420,000
PEI Housing Authority	1,843,464	1,700,000
PEI Business Development Inc	1,137,041	1,300,000
Charlotttown Area Development Corporation	509,708	315,300
PEI Liquor Control Commission	243,062	243,400
Bank Accounts	272,211	850,000
Urban Services	10,446	48,000
Grain Elevators	1,490	1,500
Innovative Solution Agency	7,511	112,200
Golf PEI	281,079	95,600
Tourism PEI	7,541	15,000
Computer Loan Program	4,688	-
Miscellaneous	25,154	700,000
TOTAL INTEREST CHARGES ON DEBT	**11,806,026**	**11,843,300**

Details

Of

Ordinary Expenditures With Estimates

For the Year Ended March 31, 2001

DEPARTMENT OF AGRICULTURE AND FORESTRY

	EXPENDITURES $	ESTIMATES $
CORPORATE AND FINANCIAL SERVICES		
Finance and Administration		
Administration	54,690	66,500
Equipment	5,107	3,600
Materials, Supplies & Services	53,599	33,000
Professional & Contract Services	17,071	20,000
Salaries	665,318	679,600
Travel & Training	95,340	151,700
	891,125	954,400
Communications		
Administration	18,153	18,800
Equipment	-	1,000
Materials, Supplies & Services	52,235	40,500
Professional & Contract Services	6,890	12,000
Salaries	147	98,500
Travel & Training	4,900	6,200
Grants		
Miscellaneous	3,900	-
	86,225	177,000
Information Technology		
Administration	7,588	7,700
Equipment	10,067	9,500
Materials, Supplies & Services	20,411	9,800
Salaries	358,606	360,600
Travel & Training	16,855	17,200
	413,527	404,800
Farm Income Risk Management		
Administration	13,478	10,700
Equipment	3,692	2,500
Materials, Supplies & Services	6,267	5,000
Professional & Contract Services	5,667	4,100
Salaries	463,373	456,800
Travel & Training	72,714	67,200
Grants		
Crop Insurance Fund	698,762	695,000
Net Income Stabilization Account	2,686,024	2,300,000
ARIF Industry Development	600,000	241,200
Agriculture Income Disaster Assistance	1,515,729	1,455,000
Can Farm	139,288	-
Miscellaneous	1,281,345	-
	7,486,339	5,237,500
Total Corporate and Financial Services	**8,877,216**	**6,773,700**

DEPARTMENT OF AGICULTURE AND FORESTRY Continued

	EXPENDITURES $	ESTIMATES $
STRATEGIC PLANNING AND MEASUREMENT		
Division Management		
Administration	5,470	3,500
Equipment	4,450	2,500
Materials, Supplies & Services	3,289	2,500
Professional & Contract Services	137,202	203,200
Salaries	419,746	412,800
Travel & Training	22,888	31,300
Total Strategic Planning and Measurement	593,045	655,800
NATURAL RESOURCES		
Division Management		
Administration	26,894	29,800
Equipment	1,708	2,700
Materials, Supplies & Services	15,473	14,500
Professional & Contract Services	7,371	1,500
Salaries	2,723,996	455,400
Travel & Training	32,695	35,200
Grants		
Miscellaneous	44,827	46,000
	2,852,964	585,100
Forest Fire Protection		
Administration	8,595	8,200
Equipment	-1,068	4,100
Materials, Supplies & Services	20,270	12,000
Professional & Contract Services	8,685	9,600
Salaries	59,254	51,500
Travel & Training	18,301	42,900
Grants		
Forest Fire Truck Maintenance	6,400	6,400
	120,437	134,700
Production Development		
Administration	29,838	29,600
Equipment	15,057	14,800
Materials, Supplies & Services	217,796	182,300
Professional & Contract Services	8,062	12,000
Salaries	152,457	576,900
Travel & Training	12,024	19,200
Grants		
Plus Tree Rewards	-	300
	435,234	835,100

DEPARTMENT OF AGICULTURE AND FORESTRY

Continued

	EXPENDITURES $	ESTIMATES $
Provincial Forests Program		
Administration	48,601	49,000
Equipment	35,302	29,300
Materials, Supplies & Services	62,490	65,700
Professional & Contract Services	119,671	167,400
Salaries	118,226	811,300
Travel & Training	98,346	96,900
	482,636	1,219,600
Private Land Program		
Administration	5,194	4,600
Equipment	3,546	8,700
Materials, Supplies & Services	5,282	9,300
Professional & Contract Services	2,843	2,500
Salaries	47,522	491,000
Travel & Training	86,161	81,300
Grants		
Woodlot Owners	859,876	798,800
	1,010,424	1,396,200
Resource Inventory and Modelling		
Administration	9,930	8,700
Equipment	32,734	6,700
Materials, Supplies & Services	15,226	4,600
Professional & Contract Services	155,592	171,600
Salaries	105,279	347,200
Travel & Training	22,635	31,400
	341,396	570,200
Sustainable Agriculture Resources		
Administration	8,182	12,800
Equipment	6,429	1,500
Materials, Supplies & Services	16,006	11,600
Professional & Contract Services	4,283	35,000
Salaries	17,753	422,000
Travel & Training	35,768	23,200
Grants		
AERC Program	2,047,537	-
	2,135,958	506,100
Total Natural Resources	**7,379,049**	**5,247,000**
MARKET AND INDUSTRY DEVELOPMENT		
Division Management		
Administration	87,577	86,100
Equipment	1,743	6,000
Materials, Supplies & Services	14,846	17,500
Professional & Contract Services	12,256	12,000
Salaries	233,160	236,500
Travel & Training	11,872	10,000
	361,454	368,100

DEPARTMENT OF AGICULTURE AND FORESTRY Continued

	EXPENDITURES $	ESTIMATES $
4-H Program		
Equipment	719	500
Materials, Supplies and Services	1,065	1,400
Salaries	92,802	99,100
Travel & Training	4,527	12,200
Grants		
4-H Program	157,700	157,000
	256,813	270,200
Women's Institute		
Administration	822	1,300
Equipment	110	100
Materials, Supplies & Services	950	3,500
Salaries	74,254	74,200
Travel & Training	1,778	1,800
Grants		
Program Assistance - WI	18,700	18,700
	96,614	99,600
Exhibitions		
Materials	805	900
Grants		
Miscellaneous	121,300	121,300
Association of Exhibitions	74,700	71,700
	196,805	193,900
School Milk Program		
Salaries	24,377	24,100
Travel & Training	3,418	1,600
Grants		
School Milk Program	50,000	50,000
	77,795	75,700
Marketing Council		
Administration	1,227	500
Materials, Supplies & Services	136	600
Professional & Contract Services	6,382	2,000
Salaries	7,528	10,100
Travel & Training	12,574	13,600
	27,847	26,800
Farm Business Management Initiative		
Administration	810	3,000
Materials, Supplies & Services	882	7,000
Professional & Contract Services	18,601	41,800
Salaries	838	5,000
Travel & Training	1,573	3,200
	22,704	60,000
PRDP Agriculture		
Grants		
PRDA	457,556	800,000
	457,556	800,000

DEPARTMENT OF AGICULTURE AND FORESTRY Continued

	EXPENDITURES $	ESTIMATES $
Soil and Feed Lab		
Administration	13,823	4,600
Equipment	5,428	10,200
Materials, Supplies & Services	148,709	82,100
Professional & Contract Services	19,079	24,100
Salaries	249,174	205,700
Travel & Training	11,925	7,000
	448,138	333,700
Dairy Lab		
Administration	6,066	6,200
Equipment	-	1,700
Materials, Supplies & Services	96,603	78,000
Professional & Contract Services	510	2,100
Salaries	240,577	231,300
Travel & Training	7,749	11,500
	351,505	330,800
Market Development		
Administration	10,961	13,300
Equipment	10,279	9,400
Materials, Supplies & Services	8,186	13,200
Professional & Contract Services	154,040	50,000
Salaries	194,380	256,400
Travel & Training	42,646	46,300
Grants		
Miscellaneous	13,693	142,300
	434,185	530,900
Industry Development		
Administration	3,574	3,600
Equipment	2,918	500
Materials, Supplies & Services	706	2,400
Professional & Contract Services	476,419	473,700
Salaries	345,606	346,700
Travel & Training	37,102	24,800
Grants		
Maritime Provinces Harness Racing Commission	66,076	68,300
Administration SQIP Assistance	27,400	27,400
Agriculture industry Transition Program	105,583	450,000
Horse Development Program	33,220	110,700
Assistance to Out-of-Province Exhibitors	6,672	5,000
Grants to Commodity Boards	37,600	36,700
Marketing Assistance - Transportation	12,721	20,000
PEI Artificial Breeders Association	60,000	60,000
Farm Organization Policy	92,915	60,700
Matinee Racetrack Assistance	7,352	-
Equine Genetic Development	-	41,900
Bull Testing - Napan	9,400	9,400
Swine Quality Improvement Program	578,100	578,000
Ranch Fur Program - Interest	25,948	14,000
Miscellaneous	173,661	38,700
	2,102,973	2,372,500

DEPARTMENT OF AGICULTURE AND FORESTRY

Continued

	EXPENDITURES $	ESTIMATES $
Farm Extension Services		
Administration	33,338	23,600
Equipment	86,834	21,400
Materials, Supplies & Services	59,680	22,700
Professional & Contract Services	28,422	21,800
Salaries	1,376,091	1,405,900
Travel & Training	152,457	127,600
Grants		
Beef Development Program	256,029	193,500
	1,992,851	1,816,500
Food Strategy		
Administration	28,215	20,000
Equipment	34,237	10,000
Materials, Supplies & Services	20,639	32,000
Professional & Contract Services	194,492	110,000
Salaries	150,400	49,700
Travel & Training	12,816	8,300
Grants		
Miscellaneous	289,193	572,500
	729,992	802,500
Total Market and Industry Development	7,557,232	8,081,200
PLANT HEALTH AND REGULATORY SERVICES		
Division Management/Regulatory Services		
Administration	8,022	500
Equipment	2,573	-
Materials, Supplies & Services	1,117	2,000
Professional & Contract Services	1,000,165	88,500
Salaries	260,219	225,500
Travel & Training	56,575	45,800
Grants		
Miscellaneous	23,398,678	-
	24,727,349	362,300
Plant Health and Diagnostics Program		
Administration	4,335	1,000
Equipment	28,605	8,500
Materials, Supplies & Services	77,598	74,700
Professional & Contract Services	34,126	59,800
Salaries	270,126	235,500
Travel & Training	13,988	12,300
	428,778	391,800
Pesticide Regulatory Program		
Administration	6,201	4,500
Equipment	2,284	3,300
Materials, Supplies & Services	7,878	4,500
Professional & Contract Services	5,276	12,000
Salaries	131,079	106,200
Travel & Training	23,775	20,300
	176,493	150,800

DEPARTMENT OF AGICULTURE AND FORESTRY

Continued

	EXPENDITURES $	ESTIMATES $
Potato Quality Program		
Administration	28,851	30,300
Equipment	5,089	6,500
Materials, Supplies & Services	33,181	33,400
Professional & Contract Services	185,085	19,700
Salaries	730,318	607,600
Travel & Training	128,789	116,200
Grants		
Potato Disease Eradication	4,599	15,000
	1,115,912	828,700
Total Plant Health and Regulatory Services	26,448,532	1,733,600
FRANCOPHONE AFFAIRS		
Francophone Affairs		
Administration	33,434	9,000
Equipment	16,858	4,100
Materials, Supplies & Services	7,627	12,900
Professional & Contract Services	84,960	21,400
Salaries	394,851	356,600
Travel & Training	27,323	24,100
Grants		
Miscellaneous	79,900	13,100
	644,953	441,200
Acadian Communities Advisory Council		
Administration	5,089	2,700
Materials, Supplies & Services	621	700
Salaries	4,819	6,100
Travel & Training	2,624	2,700
	13,153	12,200
Total Francophone Affairs	658,106	453,400
TOTAL AGRICULTURE AND FORESTRY	51,513,180	22,944,700

P.E.I. GRAIN ELEVATORS CORPORATION

	EXPENDITURES $	ESTIMATES $
P.E.I. GRAIN ELEVATORS CORPORATION		
Grants		
Operations - Crown Corporations	316,228	165,000
TOTAL P.E.I. GRAIN ELEVATORS CORPORATION	**316,228**	**165,000**

OFFICE OF THE ATTORNEY GENERAL

	EXPENDITURES $	ESTIMATES $
POLICY AND ADMINISTRATION		
Constitutional Review/Native Council		
Grants		
National Judicial Institute	27,300	-
Native Council of Canada	99,631	130,800
Miscellaneous	1,234	-
	128,165	130,800
Justice/Correction Policy		
Administration	3,109	6,000
Materials, Supplies & Services	2,550	3,900
Professional & Contract Services	11,537	32,500
Salaries	178,016	164,600
Travel & Training	10,912	10,000
	206,124	217,000
Human Rights Commission		
Administration	1,057	-
Grants		
Human Rights Commission	306,200	306,200
	307,257	306,200
Total Policy and Administration	**641,546**	**654,000**
LEGAL AND JUDICIAL SERVICES		
Administration		
Administration	28,819	12,500
Equipment	33,481	3,100
Materials, Supplies & Services	38,404	20,300
Professional & Contract Services	62,108	204,300
Salaries	655,737	755,700
Travel & Training	29,382	18,700
Grants		
National Judicial Institute		2,300
Uniform Law Conference	4,000	2,600
Canadian Association of Provincial		1,700
Canadian Association of Chiefs of Police	900	900
Judicial Council		30,000
PEI Chiefs of Police Association		400
	852,831	1,052,500
Judicial Services		
Administration	129,325	90,700
Equipment	16,530	18,600
Materials, Supplies & Services	114,695	75,300
Professional & Contract Services	66,669	163,000
Salaries	1,560,813	1,493,100
Travel & Training	48,138	28,800
	1,936,170	1,869,500

OFFICE OF THE ATTORNEY GENERAL

Continued

	EXPENDITURES $	ESTIMATES $
Sheriff's Office		
Administration	15,327	13,600
Equipment	3,304	3,600
Materials, Supplies & Services	7,597	2,100
Professional & Contract Services	2,191	-
Salaries	505,907	352,200
Travel & Training	17,912	20,700
	552,238	392,200
Legislation		
Administration	11,897	4,400
Equipment	2,050	400
Materials, Supplies & Services	5,609	4,000
Professional & Contract Services	38,672	-
Salaries	211,118	204,900
Travel & Training	1,118	2,200
	270,464	215,900
Legal Aid		
Administration	22,163	18,700
Equipment	2,996	-
Materials, Supplies & Services	6,821	6,800
Professional & Contract Services	113,741	154,800
Salaries	389,068	414,800
Travel & Training	15,979	11,000
	550,768	606,100
Coroner's Inquests		
Professional & Contract Services	309,256	213,500
Travel & Training	2,295	-
	311,551	213,500
RCMP		
Professional & Contract Services	8,049,308	7,899,900
	8,049,308	7,899,900
Provincial Court Judges		
Administration	316	-
Equipment	1,059	10,000
Materials, Supplies & Services	16	-
Salaries	435,574	462,000
Travel & Training	18,502	11,000
	455,467	483,000
Courthouse Automation Project		
Administration	5,141	
Equipment	8,956	
Materials, Supplies & Services	1,875	
Professional & Contract Services	1,278,021	631,700
Travel & Training	4,273	-
	1,298,266	631,700

OFFICE OF THE ATTORNEY GENERAL

Continued

	EXPENDITURES $	ESTIMATES $
Family Law		
Administration	2,932	1,000
Equipment	2,039	2,000
Materials, Supplies & Services	3,625	2,500
Professional & Contract Services	43,694	60,800
Salaries	123,114	126,300
Travel & Training	12,184	-
	187,588	192,600
Total Legal and Judicial Services	**14,464,651**	**13,556,900**
CONSUMER, CORPORATE AND INSURANCE		
Corporate Services		
Administration	22,942	16,800
Equipment	2,809	12,000
Materials, Supplies & Services	11,004	15,500
Professional & Contract Services	66,098	45,000
Salaries	423,204	417,400
Travel & Training	11,218	18,600
	537,275	525,300
Consumer Services		
Administration	6,736	9,200
Equipment	1,156	3,500
Materials, Supplies & Services	3,247	5,400
Salaries	152,389	175,200
Travel & Training	8,333	7,900
	171,861	201,200
Insurance Services		
Salaries	210,921	217,900
Travel & Training	7,642	8,200
	218,563	226,100
Gun Control		
Administration	8,654	15,800
Equipment	841	5,000
Materials, Supplies & Services	13,424	8,500
Professional & Contract Services	1,153	36,000
Salaries	135,454	141,800
Travel & Training	2,067	10,000
	161,593	217,100
Total Consumer, Corporate and Insurance	**1,089,292**	**1,169,700**

OFFICE OF THE ATTORNEY GENERAL

Continued

	EXPENDITURES $	ESTIMATES $
CROWN ATTORNEY		
Administration		
Administration	31,682	26,800
Equipment	2,433	6,000
Materials, Supplies & Services	26,569	18,300
Professional & Contract Services	59,841	27,000
Salaries	713,457	731,300
Travel & Training	24,066	28,500
Total Crown Attorney	858,048	837,900
COMMUNITY AND CORRECTIONAL SERVICES		
Division Management		
Administration	33,797	30,200
Equipment	29,184	16,700
Materials, Supplies & Services	8,141	6,900
Professional & Contract Services	51,557	96,000
Salaries	348,522	526,000
Travel & Training	37,120	41,100
	508,321	716,900
Provincial Correctional Centre		
Administration	41,134	30,700
Equipment	9,329	10,000
Materials, Supplies & Services	254,287	213,200
Professional & Contract Services	18,289	9,100
Salaries	3,290,158	3,273,300
Travel & Training	39,060	22,400
	3,652,257	3,558,700
Prince County Correctional Centre		
Administration	6,757	3,900
Equipment	1,665	1,000
Materials, Supplies & Services	40,528	56,800
Professional & Contract Services	2,193	3,600
Salaries	609,850	522,400
Travel & Training	12,444	5,900
	673,437	593,600
Probation/Family Counseling		
Administration	19,704	23,100
Equipment	26,046	4,000
Materials, Supplies & Services	5,372	7,300
Professional & Contract Services	8,109	10,500
Salaries	899,760	939,900
Travel & Training	42,252	40,100
	1,001,243	1,024,900

OFFICE OF THE ATTORNEY GENERAL

Continued

	EXPENDITURES $	ESTIMATES $
Community Custody Program		
Administration	8,627	9,500
Equipment	2,294	5,400
Materials, Supplies & Services	1,608	12,800
Professional & Contract Services	58,406	61,500
Salaries	306,232	331,200
Travel & Training	34,066	34,500
	411,233	454,900
Tyne Valley Youth Centre		
Administration	18,338	11,500
Equipment	1,772	3,200
Materials, Supplies & Services	42,077	37,800
Professional & Contract Services	5,105	4,800
Salaries	516,370	633,300
Travel & Training	18,159	20,000
	601,821	710,600
Georgetown Youth Centre		
Administration	16,688	11,500
Equipment	3,574	3,200
Materials, Supplies & Services	40,757	37,800
Professional & Contract Services	5,811	4,800
Salaries	605,580	623,600
Travel & Training	17,608	20,000
	690,018	700,900
Summerside Youth Centre		
Administration	39,855	41,400
Equipment	62,751	10,900
Materials, Supplies & Services	141,075	191,100
Professional & Contract Services	15,914	23,700
Salaries	2,262,646	2,662,600
Travel & Training	67,130	36,800
	2,589,371	2,966,500
Victim Services		
Administration	10,770	9,300
Equipment	5,338	800
Materials, Supplies & Services	1,711	3,500
Professional & Contract Services	16,725	-
Salaries	275,152	264,200
Travel & Training	14,613	12,000
Grants		
Victim Services	76,093	100,000
	400,402	389,800

OFFICE OF THE ATTORNEY GENERAL

Continued

	EXPENDITURES $	ESTIMATES $
Justice Program Resource		
Administration	2,326	4,000
Equipment	1,794	1,000
Materials, Supplies & Services	7,591	3,600
Professional & Contract Services	200	
Salaries	171,881	176,000
Travel & Training	9,169	10,000
	192,961	194,600
Total Community and Correctional Services	**10,721,064**	**11,311,400**
TOTAL OFFICE OF THE ATTORNEY GENERAL	**27,774,601**	**27,529,900**

AUDITOR GENERAL

	EXPENDITURES $	ESTIMATES $
ADMINISTRATION		
Administration	31,090	32,400
Equipment	4,486	14,100
Materials, Supplies & Services	8,972	10,400
Professional & Contract Services	-	32,600
Salaries	989,953	1,068,400
Travel & Training	23,284	33,600
Grants		
Comprehensive Auditing Foundation	11,915	12,100
TOTAL AUDITOR GENERAL	**1,069,700**	**1,203,600**

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

	EXPENDITURES $	ESTIMATES $
POLICY AND ADMINISTRATION		
Administration		
Administration	224,839	144,300
Equipment	22,888	8,000
Materials, Supplies & Services	77,851	26,700
Professional & Contract Services	291,334	87,000
Salaries	609,342	523,600
Travel & Training	35,676	35,000
Grants		
Fathers of Confederation	1,050,000	900,000
Miscellaneous	71,102	50,000
	2,383,032	1,774,600
Infrastructure		
Administration	481	-
Materials, Supplies & Services	969	-
Travel & Training	810	-
Grants		
Infrastructure Program	2,210	-
	4,470	-
Information Technology		
Administration	900	-
Equipment	72,254	107,400
Professional & Contract Services	34,345	-
Salaries	169,102	212,400
Travel & Training	19,908	34,300
	296,509	354,100
Total Policy and Administration	**2,684,011**	**2,128,700**
PLANNING AND INSPECTION SERVICES		
Administration		
Administration	15,305	12,600
Equipment	45,811	-
Materials, Supplies & Services	26,536	9,700
Professional & Contract Services	375	-
Salaries	351,131	341,800
Travel & Training	13,377	7,200
	452,535	371,300
Provincial Planning		
Salaries	226,107	244,400
Travel & Training	3,314	4,400
	229,421	248,800

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

Continued

	EXPENDITURES $	ESTIMATES $
Fire Marshal		
Salaries	149,733	153,100
Travel & Training	21,089	11,000
Grants		
Fire Fighting Assistance	1,818	6,600
Workers Compensation Claims	97,971	98,000
Training Program for Firemen	8,500	8,500
	279,111	277,200
Building and Development		
Salaries	441,341	323,200
Travel & Training	28,221	31,100
	469,562	354,300
Emergency Measures Organization		
Administration	1,476	3,300
Materials, Supplies & Services	212	100
Salaries	68,162	53,300
Travel & Training	-	3,400
Grants		
Disaster Relief	599,435	-
	669,285	60,100
Joint Emergency Preparedness Projects		
Administration	37,149	15,400
Equipment	2,523	800
Materials, Supplies & Services	501	1,200
Professional & Contract Services	65	1,200
Salaries	111,817	141,600
Travel & Training	11,451	9,000
	163,506	169,200
Electrical Inspection		
Administration	240	-
Materials, Supplies & Services	10	-
Salaries	176,068	242,800
Travel & Training	28,188	26,200
	204,506	269,000
Boiler and Plumbing Inspection		
Salaries	269,886	276,500
Travel & Training	32,666	30,400
	302,552	306,900
Municipal Affairs		
Administration	-	100
Professional Contracts & Services	44,660	-
Salaries	57,834	48,000
Travel & Training	2,940	2,900
Grants		
Federation of PEI Municipalities	-	13,000
Municipal Equalization Grants	1,973,004	1,970,000
Debt Retirement	187,282	187,300
Municipal Training Support	875	7,400
	2,266,595	2,228,700

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS Continued

	EXPENDITURES $	ESTIMATES $
911 Project		
Administration	60,487	-
Equipment	326,487	-
Materials, Supplies & Services	137,771	-
Professional & Contract Services	29,336	-
Salaries	159,841	95,000
Travel & Training	14,778	5,000
	728,700	100,000
Total Planning and Inspection Services	5,765,773	4,385,500
LABOUR AND INDUSTRIAL RELATIONS		
Administration		
Administration	7,053	4,900
Equipment	1,013	5,700
Materials, Supplies & Services	9,503	5,400
Salaries	191,869	214,700
Travel & Training	5,074	4,600
	214,512	235,300
Labour Relations Board		
Administration	6,810	5,300
Materials, Supplies & Services	5,242	3,800
Professional & Contract Services	26,189	33,800
Salaries	117,986	86,500
Travel & Training	5,934	4,000
	162,161	133,400
Industrial Relations		
Administration	3,457	2,300
Materials, Supplies & Services	2,045	1,900
Salaries	270	-
Travel & Training	1,004	1,600
	6,776	5,800
Employment Standards		
Administration	1,052	1,200
Materials, Supplies & Services	2,479	900
Professional & Contract Services	-	3,300
Salaries	58,434	64,400
Travel & Training	4,956	4,600
	66,921	74,400
Industrial Relations Council		
Administration	513	400
Salaries	3,500	6,700
Travel & Training	396	900
	4,409	8,000
Total Labour and Industrial Relations	454,779	456,900

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

Continued

	EXPENDITURES $	ESTIMATES $
PROVINCIAL LIBRARIES AND PUBLIC ARCHIVES		
Library Headquarters and Technical Services		
Administration	3,792	6,400
Equipment	7,245	1,000
Materials, Supplies & Services	69,586	59,700
Professional & Contract Services	1,193	500
Salaries	277,975	287,000
Travel & Training	15,218	10,900
	375,009	365,500
Confederation Centre Public Library		
Administration	3,245	4,000
Equipment	4,454	800
Materials, Supplies & Services	116,439	92,600
Professional & Contract Services	9,201	10,000
Salaries	467,198	459,600
Travel & Training	2,621	2,000
	603,158	569,000
French Library Services		
Administration	7,366	10,300
Equipment	2,096	800
Materials, Supplies & Services	84,616	60,700
Professional & Contract Services	-	1,000
Salaries	244,269	210,700
Travel & Training	3,550	5,300
	341,897	288,800
Branch Libraries		
Administration	1,297	1,300
Equipment	1,487	-
Materials, Supplies & Services	88,712	79,200
Salaries	364,470	391,900
Travel & Training	5,691	5,700
	461,657	478,100
Public Archives and Records Office		
Administration	3,065	2,900
Equipment	446	3,200
Materials, Supplies & Services	9,023	15,200
Professional & Contract Services	355	500
Salaries	199,861	220,100
Travel & Training	5,597	2,600
	218,347	244,500
Media Services		
Administration	5,095	10,400
Equipment	732	1,000
Materials, Supplies & Services	58,352	63,000
Salaries	177,085	171,300
Travel & Training	1,510	2,700
	242,774	248,400
Total Provincial Libraries and Public Archives	2,242,842	2,194,300

DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS

Continued

	EXPENDITURES $	ESTIMATES $
CULTURE, HERITAGE, RECREATION AND SPORTS		
Culture, Heritage, Recreation and Sports		
Administration	5,569	5,400
Equipment	-	1,000
Materials, Supplies & Services	3,086	2,800
Professional & Contract Services	7,025	15,000
Salaries	465,118	480,200
Travel & Training	39,072	35,100
Grants		
Sports Hall of Fame	4,500	4,500
Cultural Development Program	140,824	176,700
Acadian Development	285,300	258,800
Island Community Theatre	39,500	39,500
Sport PEI	115,500	115,500
PEI Sports Commission	287	4,500
Regional Projects	27,088	22,300
Heritage Archeology	5,522	8,000
Best Ever Program	64,300	64,300
PEI Council of the Arts	218,100	218,100
PEI Rural Beautification Society	5,000	5,000
Carrefour Development Program	200,000	200,000
Community recreation Support Program	307,686	312,000
Cultural Industries Support	1,600	5,000
Regional Arts Council Grants	36,000	30,000
PEI Association of Community Museums	40,000	40,000
Sports Organization Assistance	226,435	215,000
Recreation & Sports Assoc. for the Physically Disabled	36,600	36,600
Miscellaneous	54,166	44,000
Total Culture, Heritage, Recreation and Sports	**2,328,278**	**2,339,300**
P.E.I MUSEUM AND HERITAGE FOUNDATION		
General		
Salaries	773,370	613,000
Total P.E.I Museum and Heritage Foundation	**773,370**	**613,000**
TOTAL COMMUNITY AND CULTURAL AFFAIRS	**14,249,053**	**12,117,700**

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY

	EXPENDITURES $	ESTIMATES $
DEPARTMENTAL MANAGEMENT		
Administration		
Administration	54,269	43,200
Equipment	19,690	-
Materials, Supplies & Services	43,928	43,000
Professional & Contract Services	39,272	23,700
Salaries	353,740	338,300
Travel & Training	34,074	41,200
Total Departmental Management	**544,973**	**489,400**
POLICY AND PLANNING		
Administration		
Administration	6,000	4,200
Equipment	4,882	5,000
Materials, Supplies & Services	6,385	7,400
Professional & Contract Services	62,657	80,000
Salaries	292,750	296,500
Travel & Training	6,560	9,900
Total Policy and Planning	**379,234**	**403,000**
ENERGY DEVELOPMENT		
Energy Development		
Administration	10,442	18,600
Equipment	6,433	6,200
Materials, Supplies & Services	12,268	17,700
Professional & Contract Services	67,741	182,000
Salaries	125,934	170,600
Travel & Training	11,349	21,200
Total Energy Development	**234,167**	**416,300**
ACCESS PEI		
Management		
Administration	3,216	1,000
Equipment	66,848	-
Materials, Supplies & Services	16,761	-
Professional & Contract Services	1,852	5,000
Salaries	63,666	190,000
Travel & Training	4,982	6,800
	157,325	202,800

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY

Continued

	EXPENDITURES $	ESTIMATES $
Summerside Access PEI		
Administration	112,950	82,400
Equipment	11,852	3,100
Materials, Supplies & Services	15,169	15,200
Salaries	560,153	451,100
Travel & Training	9,216	6,800
	709,340	558,600
Souris Access PEI		
Administration	55,008	58,700
Equipment	526	200
Materials, Supplies & Services	9,231	11,700
Salaries	231,261	202,400
Travel & Training	9,666	8,300
Grants		
Sports Hall of Fame	-	2,300
	305,692	283,600
West Prince RSC		
Administration	65,916	70,600
Equipment	7,556	7,500
Materials, Supplies & Services	7,469	11,500
Salaries	144,859	146,500
Travel & Training	5,390	3,200
Grants		
Sports Hall of Fame	-	2,500
	231,190	241,800
Southern Kings and Queens RSC		
Administration	70,348	64,100
Equipment	5,726	1,200
Materials, Supplies & Services	5,954	10,000
Salaries	226,476	226,400
Travel & Training	5,415	4,500
Grants		
Sports Hall of Fame	-	2,300
	313,919	308,500
Evangeline RSC		
Administration	18,967	20,600
Equipment	1,650	3,800
Materials, Supplies & Services	6,164	7,700
Salaries	82,707	84,000
Travel & Training	1,431	2,400
Grants		
Sports Hall of Fame	-	1,500
	110,919	120,000

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY Continued

	EXPENDITURES $	ESTIMATES $
Tignish and Area Government Services Centre		
Administration	14,899	13,800
Equipment	773	1,600
Materials, Supplies & Services	1,796	2,900
Salaries	65,877	42,100
Travel & Training	713	2,100
Grants		
Sports Hall of Fame	-	1,200
	84,058	63,700
Morell Access PEI		
Administration	3,999	5,800
Equipment	112	-
Materials, Supplies & Services	108	-
Salaries	33,870	35,600
Travel & Training	1,351	1,000
	39,440	42,400
Alberton Access PEI		
Administration	3,994	-
Equipment	88	-
Materials, Supplies & Services	200	-
Salaries	35,981	52,400
Travel & Training	1,286	-
	41,549	52,400
Riverside Access PEI		
Administration	26,686	9,600
Equipment	16,544	22,700
Materials, Supplies & Services	27,172	29,800
Salaries	354,167	305,800
Travel & Training	2,006	1,000
	426,575	368,900
Crapaud Access PEI		
Administration	3,925	-
Equipment	8,389	-
Materials, Supplies & Services	2,261	-
	14,575	-
North Rustico Access PEI		
Administration	2,022	-
Equipment	2,828	-
Materials, Supplies & Services	4,942	-
	9,792	-

DEPARTMENT OF DEVELOPMENT AND TECHNOLOGY

Continued

	EXPENDITURES $	ESTIMATES $
Stratford Access PEI		
Administration	16,481	-
Equipment	16,656	-
Materials, Supplies & Services	12,406	-
Salaries	22,186	-
Travel & Training	532	-
	68,261	-
Total Access PEI	**2,512,635**	**2,242,700**
COMMUNITY AND LABOUR MARKET DEVELOPMENT		
Administration	4,568	2,700
Equipment	166	-
Materials, Supplies & Services	16,710	1,900
Professional & Contract Services	13,511	8,000
Salaries	721,022	646,600
Travel & Training	39,761	41,500
Grants		
Handcraft/Cultural Support	31,269	-
Labour Market Development	24,091	-
Community Development	752,427	-
Strategic Opportunities	408,653	356,000
PEI Craft Council Grant	46,392	-
Community Capacity	24,814	55,000
Can Farm	-	151,500
Total Community and Labour Market Development	**2,083,384**	**1,263,200**
REGIONAL ECONOMIC DEVELOPMENT AGREEMENT		
Regional Economic Development Agreement		
Administration	234,790	7,000
Equipment	10,823	500
Materials, Supplies & Services	194,593	75,000
Professional & Contract Services	449,808	250,000
Salaries	53,713	53,300
Travel & Training	2,704	7,000
Grants		
Economic Development Leadership Agreement	6,686,470	5,311,200
Total Regional Economic Development Agreement	**7,632,901**	**5,704,000**
TOTAL DEVELOPMENT AND TECHNOLOGY	**13,387,294**	**10,518,600**

TECHNOLOGY ASSET MANAGEMENT

	EXPENDITURES $	ESTIMATES $
TECHNOLOGY ASSET MANAGEMENT		
Equipment Rental	495,139	1,258,500
TOTAL TECHNOLOGY ASSET MANAGEMENT	**495,139**	**1,258,500**

PEI BUSINESS DEVELOPMENT INC

	EXPENDITURES $	ESTIMATES $
PEI BUSINESS DEVELOPMENT INC		
Grants		
PEI Business Development Inc	44,383,800	29,313,900
TOTAL PEI BUSINESS DEVELOPMENT INC	**44,383,800**	**29,313,900**

EMPLOYMENT DEVELOPMENT AGENCY

	EXPENDITURES $	ESTIMATES $
MANAGEMENT		
Administration	11,543	10,500
Equipment	9,330	2,600
Materials, Supplies & Services	4,429	4,700
Professional & Contract Services	-	500
Salaries	307,546	310,000
Travel & Training	8,612	9,400
Total Management	**341,460**	**337,700**
FORESTRY PROJECTS		
East Forestry / Salaries	116,658	230,500
Central Forestry / Salaries	125,371	153,600
West Forestry / Salaries	125,507	200,400
Total Forestry Projects	**367,536**	**584,500**
JOB CREATION AND PLACEMENT		
Professional & Contract Services	153,553	-
Salaries	183,484	150,000
Grants		
Community Job Creation Projects	3,348,160	1,702,700
Training Program for Firemen	1,320	-
Total Job Creation and Placement	**3,686,517**	**1,852,700**
JOBS FOR YOUTH		
Private and Non-Profit		
Grants		
Work for Youth - Private Sector	161,988	155,600
Work for Youth - Non-Profit Sector	525,949	414,800
	687,937	570,400
Public Sector		
Salaries	412,073	376,800
	412,073	376,800
Total Jobs for Youth	**1,100,010**	**947,200**
TOTAL EMPLOYMENT DEVELOPMENT AGENCY	**5,495,523**	**3,722,100**

P.E.I. ENERGY CORPORATION

	EXPENDITURES $	ESTIMATES $
OPERATIONS		
Administration	-	10,000
Equipment	-	7,000
Materials, Supplies & Services	-	5,000
Professional & Contract Services	-	75,000
Salaries	-	127,800
Travel & Training	-	21,000
Grants		
Operating Grant	299,500	66,600
TOTAL P.E.I. ENERGY CORPORATION	**299,500**	**312,400**

DEPARTMENT OF EDUCATION

	EXPENDITURES $	ESTIMATES $
CORPORATE PLANNING		
General		
Administration	4,300	2,000
Materials, Supplies & Services	608	1,900
Professional & Contract Services	100	-
Salaries	316,038	306,800
Travel & Training	14,229	13,300
Grants		
Adult Basic Education	100,000	-
Industry Incentives	100,000	-
Miscellaneous	1,500	-
	536,775	324,000
Assessment and Evaluation		
Administration	365	3,500
Materials, Supplies & Services	91	10,500
Professional & Contract Services	5,046	19,800
Salaries	36,970	100,200
Travel & Training	1,742	4,000
	44,214	138,000
Total Corporate Planning	580,989	462,000
CORPORATE SERVICES AND SCHOOL BOARD OPERATIONS		
Administration		
Administration	255,432	89,100
Equipment	37,676	8,800
Materials, Supplies & Services	147,069	87,700
Professional & Contract Services	10,471	-
Salaries	929,474	943,700
Travel & Training	71,366	78,200
Grants		
Encounters With Canada	15,000	13,500
Teachers Federation In Service Projects	3,190	-
PEI Federation of Home and School	27,600	24,800
Miscellaneous	52,356	28,100
	1,549,634	1,273,900
Systems and Technology Services		
Administration	360,881	636,800
Equipment	553,881	180,600
Materials, Supplies & Services	253,257	38,700
Professional & Contract Services	235,731	473,500
Salaries	1,022,982	980,800
Travel & Training	53,527	48,200
Grants		
Miscellaneous	25,970	-
	2,506,229	2,358,600

DEPARTMENT OF EDUCATION

Continued

	EXPENDITURES $	ESTIMATES $
Provincial Learning Materials Distribution Centre		
Administration	25	-
Equipment	117	-
Materials, Supplies & Services	1,045,144	1,025,000
Salaries	129,247	126,900
Travel & Training	2,990	3,000
	1,177,523	1,154,900
Technology		
Administration	594	-
	594	-
Grants to School Boards		
Administration	202	-
Salaries	107,887,087	105,484,700
Grants		
School Unit Administration Grant	2,732,977	1,424,200
School Unit Maintenance Account	6,652,286	5,583,000
School Unit Transportation Grant	2,016,036	1,906,100
School Unit Program	1,689,728	1,654,400
School Construction Costs	8,319,050	8,145,000
Regional Arts Council Grants	98	-
School Unit Capital	902,496	1,453,000
School Unit Bus Purchases	1,063,710	1,055,500
	131,263,670	126,705,900
Total Corporate Services and School Board Operations	**136,497,650**	**131,493,300**
PUBLIC EDUCATION		
General		
Administration	1,262	2,900
Equipment	169	-
Materials, Supplies & Services	13,116	10,200
Professional & Contract Services	48,670	6,000
Salaries	111,652	117,500
Travel & Training	7,348	10,000
	182,217	146,600
Kindergarten		
Administration	1,082	-
Materials, Supplies & Services	16,326	-
Professional & Contract Services	7,679	-
Salaries	44,007	-
Travel & Training	1,006	-
Grants		
Miscellaneous	1,620,745	-
	1,690,845	-
Total Public Education	**1,873,062**	**146,600**

DEPARTMENT OF EDUCATION

Continued

	EXPENDITURES $	ESTIMATES $
ENGLISH PROGRAMS		
Human Resource Development		
Administration	21,218	10,000
Materials, Supplies & Services	7,326	7,500
Professional & Contract Services	48,045	30,000
Salaries	102,259	114,700
Travel & Training	4,928	5,000
Grants		
Teachers Federation In Service Projects	36,359	38,000
Miscellaneous	2,000	-
	222,135	205,200
Programs - General		
Administration	21,974	20,500
Equipment	66	-
Materials, Supplies & Services	32,033	14,500
Professional & Contract Services	5,589	22,000
Salaries	263,089	195,300
Travel & Training	14,820	6,400
Grants		
Regional COOP in Education - Choices	15,945	26,300
Pre-School Funding	10,318	-
Safe Graduation Program	6,000	-
Special Projects	-	-
Miscellaneous	48,075	71,500
	417,909	356,500
Elementary Programs		
Administration	20,189	6,000
Equipment	300	4,700
Materials, Supplies & Services	100,452	314,300
Professional & Contract Services	61,546	92,200
Salaries	549,127	656,000
Travel & Training	11,700	33,000
	743,314	1,106,200
Secondary Programs		
Administration	13,715	8,000
Equipment	4,282	4,600
Materials, Supplies & Services	218,598	396,100
Professional & Contract Services	55,368	98,300
Salaries	662,790	699,200
Travel & Training	39,236	39,500
Grants		
Minority and second Language	5	-
	993,994	1,245,700

DEPARTMENT OF EDUCATION

Continued

	EXPENDITURES $	ESTIMATES $
Technology		
Administration	3,731	1,000
Equipment	2,328	-
Materials, Supplies & Services	92,338	90,000
Professional & Contract Services	66,575	21,000
Salaries	484,619	458,700
Travel & Training	12,476	26,000
	662,067	596,700
Total English Programs	**3,039,419**	**3,510,300**
FRENCH PROGRAMS		
General		
Administration	13,478	9,700
Debt	6,370	-
Equipment	25,007	-
Materials, Supplies & Services	224,359	257,800
Professional & Contract Services	40,472	26,300
Salaries	699,222	753,400
Travel & Training	39,057	31,000
Grants		
Minority and Second Language	381,449	547,400
Total French Programs	**1,429,414**	**1,625,600**
STUDENT SERVICES		
General		
Administration	11,550	3,700
Equipment	7,347	10,700
Materials, Supplies & Services	11,384	48,600
Professional & Contract Services	27,153	92,000
Salaries	885,860	1,063,900
Travel & Training	48,987	47,300
Grants		
Resource Centres - APSEA	638,556	597,000
Pre-School Funding	24,232	37,900
Safe Graduation Program	-	5,600
Special Projects	-	2,800
Allied Youth	19,908	39,800
Other Youth	20,875	42,400
Miscellaneous	87,008	117,100
	1,782,860	2,108,800
Youth		
Administration	(103.00)	-
Travel & Training	(1311.00)	-
	(1414.00)	-
Total Student Services	**1,781,446**	**2,108,800**

DEPARTMENT OF EDUCATION

Continued

	EXPENDITURES $	ESTIMATES $
CONTINUING EDUCATION AND TRAINING		
General		
Administration	29,980	32,900
Equipment	5,198	4,400
Materials, Supplies & Services	7,171	10,500
Professional & Contract Services	2,915	4,500
Salaries	730,207	638,800
Travel & Training	32,057	24,500
Grants		
Student Assistance	3,200	-
	810,728	715,600
Apprenticeship and Training		
Administration	4,996	1,800
Equipment	489	-
Materials, Supplies & Services	7,132	1,300
Professional & Contract Services	41,579	34,800
Salaries	243,056	184,600
Travel & Training	22,969	14,400
Grants		
Apprenticeship Training Allowances	2,000	2,500
	322,221	239,400
Post Secondary Grants		
Grants		
College L'Acadie	300,750	300,800
Student Assistance	4,087,098	3,671,000
MPHEC	30,544,930	29,953,200
Atlantic Region Vet College	5,147,251	5,269,800
Atlantic Police Academy	450,000	450,000
Community Schools	43,050	43,100
Labour Market Development	3,849,941	4,075,000
Adult Night Classes	124,200	124,200
Technical Student Assistance	244,000	244,000
Adult Basic Education	-	100,000
Industry Incentives	-	100,000
	44,791,220	44,331,100
Total Continuing Education and Training	**45,924,169**	**45,286,100**
TOTAL DEPARTMENT OF EDUCATION	**191,126,149**	**184,632,700**

ISLAND REGULATORY AND APPEALS COMMISSION

	EXPENDITURES $	ESTIMATES $
GENERAL		
Grants		
Operating Grant	1,065,100	1,065,100
TOTAL ISLAND REGULATORY AND APPEALS COMMISSION	**1,065,100**	**1,065,100**

EXECUTIVE COUNCIL

	EXPENDITURES $	ESTIMATES $
PREMIER'S OFFICE		
Administration	30,407	31,200
Equipment	24,400	9,100
Materials, Supplies and Services	3,169	8,000
Salaries	462,256	462,600
Travel & Training	71,925	49,400
Total Premier's Office	**592,157**	**560,300**
EXECUTIVE COUNCIL OFFICE		
Administration	26,274	28,000
Equipment	6,045	11,500
Materials, Supplies and Services	7,138	7,800
Salaries	1,048,227	1,052,700
Travel & Training	12,955	29,900
Total Executive Council Office	**1,100,639**	**1,129,900**
PLANNING AND RESEARCH		
Professional & Contract Services	10,180	30,000
Planning E.R.D.A.	301,175	330,000
Total Planning & Research	**311,355**	**360,000**
INTERGOVERNMENTAL AFFAIRS		
Salaries	168,429	250,300
Travel & Training	62,418	49,100
Grants		
Canadian Intergovernmental Conference Secretariat	8,500	9,400
Total Intergovernmental Affairs	**239,347**	**308,800**
TOTAL EXECUTIVE COUNCIL	**2,243,498**	**2,359,000**

DEPARTMENT OF FISHERIES, AQUACULTURE AND ENVIRONMENT

	EXPENDITURES $	ESTIMATES $
DEPARTMENT MANAGEMENT		
Administration	6,281	8,900
Equipment	30,333	-
Materials, Supplies & Services	1,873	1,000
Professional & Contract Services	2,108	2,000
Salaries	176,761	179,000
Travel & Training	28,898	48,400
Grants		
Development Assistance	8,860	12,300
Total Department Management	255,114	251,600
POLLUTION PREVENTION		
Administration		
Administration	25,675	22,900
Equipment	3,232	2,800
Materials, Supplies & Services	1,728	3,000
Salaries	237,504	240,200
Travel & Training	17,606	19,300
	285,745	288,200
Air and Hazardous Materials		
Administration	5,754	1,800
Equipment	74,822	67,500
Materials, Supplies & Services	39,192	37,600
Professional & Contract Services	20,675	56,200
Salaries	328,528	334,000
Travel & Training	51,678	53,900
Grants		
Miscellaneous	3,500	3,500
	524,149	554,500
Pollution Prevention		
Administration	2,771	7,500
Equipment	11,250	10,000
Materials, Supplies & Services	22,416	46,000
Professional & Contract Services	35,743	64,000
Salaries	197,474	216,400
Travel & Training	42,071	47,100
Grants		
Miscellaneous	23,000	40,000
	334,725	431,000
Total Pollution Prevention	1,144,619	1,273,700

DEPARTMENT OF FISHERIES, AQUACULTURE & ENVIRONMENT

Continued

	EXPENDITURES $	ESTIMATES $
WATER RESOURCES		
Administration		
Administration	27,911	20,000
Equipment	13,035	2,000
Materials, Supplies & Services	4,174	6,600
Professional & Contract Services	36,018	52,100
Salaries	223,602	179,400
Travel & Training	13,121	4,200
	317,861	264,300
Rivers and Estuaries		
Administration	10	900
Equipment	334	1,000
Materials, Supplies & Services	4,568	3,400
Salaries	198,084	238,900
Travel & Training	22,504	21,000
	225,500	265,200
Groundwater		
Administration	265	-
Equipment	55	-
Materials, Supplies & Services	2,785	3,600
Professional & Contract Services	-	8,900
Salaries	198,632	200,900
Travel & Training	37,337	24,400
Grants		
Miscellaneous	538,956	-
	778,030	237,800
Engineering and Utilities		
Administration	796	-
Equipment	916	2,300
Materials, Supplies & Services	21,781	27,400
Salaries	96,158	111,500
Travel & Training	7,448	7,300
Grants		
Environmental Services Assistance	4,182	10,000
	131,281	158,500
Microbiology Lab		
Administration	644	-
Equipment	(3,424)	-
Materials, Supplies & Services	57,508	22,900
Professional & Contract Services	11,092	600
Salaries	198,253	141,700
Travel & Training	2,536	800
	266,609	166,000
Shellfish Program		
Materials, Supplies & Services	7,219	5,000
Salaries	47,524	46,400
Travel & Training	7,732	7,000
	62,475	58,400

DEPARTMENT OF FISHERIES, AQUACULTURE & ENVIRONMENT Continued

	EXPENDITURES $	ESTIMATES $
Pesticide Monitoring Program		
Materials, Supplies & Services	384	3,000
Professional & Contract Services	19,310	16,800
	19,694	19,800
Chemistry Lab		
Administration		-
Equipment		-
Materials, Supplies & Services		15,400
Professional & Contract Services		2,100
Salaries		67,000
Travel & Training		600
	-	85,100
Total Water Resources	**1,801,450**	**1,255,100**
FISH AND WILDLIFE		
Administration		
Administration	45,967	40,100
Equipment	9,726	8,000
Materials, Supplies & Services	44,993	28,800
Professional & Contract Services	220,240	147,000
Salaries	366,568	384,200
Travel & Training	72,205	67,800
Grants		
Wildlife Conservation	140,022	152,000
	899,721	827,900
Wetland Management		
Materials, Supplies & Services	73	
Professional & Contract Services	120,010	102,900
Salaries	45,357	50,500
	165,440	153,400
Habitat Protection and Enhancement		
Administration	6,463	7,200
Equipment	530	4,000
Materials, Supplies & Services	3,874	5,600
Salaries	188,076	187,500
Travel & Training	25,590	29,400
Grants		
Miscellaneous	184,499	186,900
	409,032	420,600
Total Fish and Wildlife	**1,474,193**	**1,401,900**

DEPARTMENT OF FISHERIES, AQUACULTURE & ENVIRONMENT

Continued

	EXPENDITURES $	ESTIMATES $
ADMINISTRATION		
General		
Administration	40,515	44,500
Equipment	5,111	7,800
Materials, Supplies & Services	17,881	15,000
Professional & Contract Services	-	4,300
Salaries	333,621	376,000
Travel & Training	2,031	12,000
Total Administration	**399,159**	**459,600**
CORPORATE SERVICES		
Investigation and Enforcement		
Administration	17,992	13,200
Equipment	11,731	4,600
Materials, Supplies & Services	12,703	12,300
Professional & Contract Services	425	-
Salaries	382,834	359,400
Travel & Training	107,436	66,200
	533,121	455,700
Corporate Services		
Administration	4,117	4,800
Equipment	1,044	-
Materials, Supplies & Services	17,091	4,000
Professional & Contract Services	190	
Salaries	174,667	221,500
Travel & Training	10,917	10,000
	208,026	240,300
Total Corporate Services	**741,147**	**696,000**
FISHERIES AND AQUACULTURE		
Division Management		
Administration	27,202	33,900
Materials, Supplies & Services	2,011	1,800
Professional & Contract Services	27,407	15,000
Salaries	124,237	159,400
Travel & Training	1,829	5,200
Grants		
Fisheries Organization Funding	209,962	164,400
Miscellaneous	100,000	50,000
	492,648	429,700

DEPARTMENT OF FISHERIES, AQUACULTURE & ENVIRONMENT

Continued

	EXPENDITURES $	ESTIMATES $
Services		
Administration	2,748	3,500
Equipment	2,787	6,500
Materials, Supplies & Services	78,177	50,000
Professional & Contract Services	3,333	7,100
Salaries	98,623	97,500
Travel & Training	23,962	25,000
Grants		
Travel Grant for Fisherman	990	1,500
Miscellaneous	32,000	50,000
	242,620	241,100
Marine Fisheries		
Administration	1,030	700
Equipment	836	700
Materials, Supplies & Services	36,623	34,300
Professional & Contract Services	164,221	135,000
Salaries	227,119	289,100
Travel & Training	52,262	42,500
Grants		
Test Production	19,796	85,000
Fisherman Tech Advancement	-	6,400
	501,887	593,700
Aquaculture		
Administration	5,007	5,000
Equipment	19,102	20,000
Materials, Supplies & Services	57,911	43,800
Professional & Contract Services	35,362	25,000
Salaries	376,827	354,400
Travel & Training	50,955	40,000
Grants		
Aquaculture Diversification Program	151,739	150,000
Aquaculture Technology Program	31,741	50,000
Shellfish Enhancement	80,000	30,000
Aquaculture Futures Fund	86,999	145,000
Shellfish/Aquaculture Leasing Program	122,418	150,000
	1,018,061	1,013,200
Total Fisheries and Aquaculture	**2,255,216**	**2,277,700**
TOTAL FISHERIES, AQUACULTURE & ENVIRONMENT	**8,070,898**	**7,615,600**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

	EXPENDITURES $	ESTIMATES $
CORPORATE SERVICES		
General Office		
Administration	27,141	27,500
Equipment	3,137	
Materials, Supplies & Services	7,284	4,700
Professional & Contract Services	13,040	100
Salaries	580,261	585,400
Travel & Training	44,429	32,800
	675,292	650,500
Federal / Provincial Relations and Legislation		
Administration	3,112	6,100
Materials, Supplies & Services	513	300
Salaries	140,574	182,400
Travel & Training	14,845	13,100
	159,044	201,900
Human Resource Management		
Administration	3,975	4,600
Equipment	455	-
Materials, Supplies & Services	9,646	800
Professional & Contract Services	1,233	1,100
Salaries	201,784	183,300
Travel & Training	11,870	8,100
Grants		
Nursing Recruitment and Retention Strategy	117,137	-
	346,100	197,900
Total Corporate Services	**1,180,436**	**1,050,300**
OFFICE OF THE CHIEF HEALTH OFFICER		
General		
Administration	12,295	9,500
Equipment	21,411	1,000
Materials, Supplies & Services	66,097	70,500
Professional & Contract Services	44,717	94,000
Salaries	393,394	446,000
Travel & Training	12,726	17,000
Total Office of the Chief Health Officer	**550,640**	**638,000**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	EXPENDITURES $	ESTIMATES $
MEDICAL SERVICES		
General Office		
Administration	54,716	60,600
Equipment	1,772	1,000
Materials, Supplies & Services	5,887	12,700
Professional & Contract Services	54,849	54,000
Salaries	713,580	737,000
Travel & Training	34,612	44,400
Grants		
Primary Care Redesign	79,987	100,000
Out of Province Physician Fees	3,530,917	2,930,000
In Province Physician Fees	35,277,619	33,490,400
Miscellaneous	2,500	2,500
	39,756,439	37,432,600
Physician Recruitment and Training		
Administration	2,647	-
Equipment	122	-
Materials, Supplies & Services	35,209	50,000
Professional & Contract Services	10,478	80,000
Salaries	38,422	70,000
Travel & Training	65,559	20,000
Grants		
Medical Training Program	90,738	162,000
Medical Trainee Support	91,202	130,000
Residency Training	80,483	90,000
Relocation Incentives	253,922	210,000
Locum Support	143,851	50,000
Miscellaneous	58,740	-
	871,373	862,000
Total Medical Services	**40,627,812**	**38,294,600**
FINANCE AND ADMINISTRATION		
Finance and Administration		
Administration	391,290	414,000
Debt	5,063,255	5,154,000
Equipment	32,355	-
Materials, Supplies & Services	88,868	64,000
Professional & Contract Services	319,208	416,800
Salaries	1,093,315	1,191,100
Travel & Training	38,422	51,500
Grants		
Health Region Grants	65,331	-
Gertrude Cotton Trust	5,100	6,000
Comprehensive Home Repair Program	256,786	240,000
Nursing Education Bursaries	220,000	220,000
Private Nursing	155,027	243,500
Hospital Capital Equipment Grants	299,000	350,000
Hospital Capital Repairs Grants	300,000	309,600
Total Finance and Administration	**8,327,957**	**8,660,500**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	EXPENDITURES $	ESTIMATES $
HEALTH INFORMATICS AND VITAL STATISTICS		
Health Informatics		
Administration	55,671	55,900
Equipment	369,458	379,100
Materials, Supplies & Services	890,092	979,700
Professional & Contract Services	1,948,410	1,722,400
Salaries	1,033,955	1,180,100
Travel & Training	73,870	93,000
	4,371,456	4,410,200
Vital Statistics		
Administration	9,146	12,200
Equipment	497	500
Materials, Supplies & Services	4,039	5,000
Professional & Contract Services	2,633	4,500
Salaries	187,351	176,900
Travel & Training	4,230	3,500
	207,896	202,600
Total Health Informatics and Vital Statistics	**4,579,352**	**4,612,800**
ACUTE AND CONTINUING CARE		
Acute Care		
Administration	9,849	14,200
Equipment	509	500
Materials, Supplies & Services	3,708	4,200
Professional & Contract Services	41,678	6,400
Salaries	541,489	580,900
Travel & Training	20,333	28,100
Grants		
Ground Ambulance Program	3,175,331	3,235,900
Canadian Blood Agency	3,321,645	2,684,000
Out-of-Province Medical Transport Support Program	160,169	-
Out-of-Province Hospital Services	13,613,187	13,741,800
Dialysis Treatment Program	735,303	809,900
Miscellaneous	50,165	49,000
	21,673,366	21,154,900
Continuing Care		
Administration	12,398	8,300
Materials, Supplies & Services	1,080	1,500
Professional & Contract Services	31,474	3,300
Salaries	444,904	401,800
Travel & Training	42,221	19,200
Grants		
Private Nursing	-	-
Miscellaneous	-	88,900
	532,077	523,000
Total Acute and Continuing Care	**22,205,443**	**21,677,900**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	EXPENDITURES $	ESTIMATES $
PUBLIC HEALTH AND EVALUATION SERVICES		
Public Health Programs		
Administration	16,184	17,900
Equipment	7,496	2,000
Materials, Supplies & Services	24,418	15,900
Professional & Contract Services	17,435	50,800
Salaries	517,544	592,300
Travel & Training	33,755	24,500
Grants		
Tobacco Reduction Strategy	46,219	60,000
Diabetes Enhanced Services	44,054	45,000
Cervical Cancer Screening	31,363	39,800
Miscellaneous	5,526	6,300
	743,994	854,500
Evaluation Services		
Administration	7,669	12,000
Materials, Supplies & Services	6,659	5,000
Professional & Contract Services	5,880	20,000
Salaries	283,454	335,700
Travel & Training	14,421	13,000
Grants		
Health Research Fund	149,629	-
	467,712	385,700
Health Information Resource Center		
Administration	9,550	10,900
Equipment	6,704	1,600
Materials, Supplies & Services	15,260	3,300
Professional & Contract Services	6,689	7,500
Salaries	125,873	290,600
Travel & Training	3,806	2,200
	167,882	316,100
Total Public Health And Evaluation Services	**1,379,588**	**1,556,300**
CHILD, FAMILY AND COMMUNITY SERVICES		
Child Welfare Services		
Administration	32,559	24,300
Equipment	116	-
Materials, Supplies & Services	4,228	3,500
Professional & Contract Services	10,100	75,000
Salaries	611,838	580,200
Travel & Training	21,374	24,000
Grants		
Federation of Foster Families	-	38,200
	680,215	745,200

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Continued

	EXPENDITURES $	ESTIMATES $
Community Services		
Administration	60,228	16,000
Materials, Supplies & Services	29,070	11,100
Professional & Contract Services	189,432	83,600
Salaries	523,143	485,000
Travel & Training	44,584	37,200
Grants		
Health Region Grants	1,288	231,000
Catholic Family Services Bureau	57,500	57,500
PEI Association for Community Living	24,900	29,800
PEI Education Coalition	8,800	8,500
Canadian Mental Health Association	116,280	114,000
Day Care Centers Maintenance	301,048	310,000
Day Care Centers Special Needs	779,378	580,200
PEI Rape and Sexual Assault	132,800	108,700
Transition House	399,450	349,500
Canadian National Institute for the Blind	68,000	68,000
PEI Council of the Disabled	80,000	80,000
Canadian Mental Health Association	119,440	117,100
Severely Disturbed Children	-	12,700
Early Childhood Development	4,300	4,300
Canadian Mental Health Association	120,460	118,100
Canadian Association for Community Living	14,900	-
Canadian Mental Health Association	400,500	374,900
Professional Services Assistance	1,200	1,200
Private Nursing Homes	-	254,600
Miscellaneous	91,937	320,300
	3,568,638	3,773,300
Income Security		
Administration	13,242	17,800
Equipment	8,466	2,000
Materials, Supplies & Services	5,296	2,100
Professional & Contract Services	119,872	12,000
Salaries	541,466	583,800
Travel & Training	28,783	34,900
Grants		
Employability Assistance	133,437	261,300
Private Nursing Homes	1,041,408	1,125,000
Miscellaneous	5,000	-
	1,896,970	2,038,900
Total Child, Family and Community Services	**6,145,823**	**6,557,400**

DEPARTMENT OF HEALTH AND SOCIAL SERVICES Continued

	EXPENDITURES $	ESTIMATES $
IN PROVINCE ACUTE CARE HOSPITALS		
General		
Grants	-	-
Western Hospital	3,051,200	2,956,600
Community Hospital	3,187,500	3,011,400
Stewart Memorial Hospital	1,452,900	1,371,100
Prince County Hospital	20,226,400	19,180,000
Queen Elizabeth Hospital	59,603,500	57,325,700
Kings County Memorial Hospital	4,118,200	3,964,100
Souris Hospital	2,882,700	2,653,100
Total In Province Acute Care Hospitals	**94,522,400**	**90,462,000**
REGIONAL SERVICES		
Grants		
Regional Services		
Dental Public Health	2,256,545	2,274,800
Mental Health	10,578,198	11,426,600
Public Health Nursing	2,268,779	2,253,900
Environmental Health	393,374	417,800
Provincial Pharmacy	14,511,276	13,391,500
Addiction Services	5,602,977	4,817,300
Child and Family Services	53,619,249	53,177,700
Job Creation	2,236,787	2,527,100
Community and Residential Services	50,975,735	47,499,900
Regional Administration	6,442,383	5,835,800
Total Regional Services	**148,885,303**	**143,622,400**
TOTAL HEALTH AND SOCIAL SERVICES	**328,404,754**	**317,132,200**

EAST PRINCE HEALTH FACILITY

	EXPENDITURES $	ESTIMATES $
EAST PRINCE HEALTH FACILITY		
Administration	6,577	-
Equipment	-	-
Materials, Supplies & Services	-	-
Professional & Contract Services	3,072,715	477,000
Salaries	200,000	331,400
Travel & Training	3,784	15,000
Grants		
Miscellaneous	2,611,805	8,176,600
TOTAL EAST PRINCE HEALTH FACILITY	**5,894,881**	**9,000,000**

LEGISLATIVE ASSEMBLY

	EXPENDITURES $	ESTIMATES $
LEGISLATIVE SERVICES		
Administration	120,765	126,200
Equipment	32,511	28,300
Materials, Supplies and Services	25,901	45,900
Professional & Contract Services	55,306	56,600
Salaries	791,648	880,500
Travel & Training	9,018	11,700
Grants		
Opposition Members Office	53,300	43,300
Commonwealth Parliamentary Association	14,453	16,000
Government Members Office	85,000	31,700
3rd Party Ministers Office	1,490	15,000
Total Legislative Services	**1,189,392**	**1,255,200**
MEMBERS		
Salaries	1,273,365	1,337,400
Travel & Training	100,381	135,700
Total Members	**1,373,746**	**1,473,100**
OFFICE OF THE CONFLICT OF INTEREST COMMISSIONER		
Professional & Contract Services	28,067	30,000
Travel & Training	-	5,000
Total Office of the Conflict of Interest Commissioner	**28,067**	**35,000**
COMMONWEALTH PARLIAMENTARY ASSOCIATION		
Administration	150,988	170,000
Total Commonwealth Parliamentary Association	**150,988**	**170,000**
ELECTIONS		
General		
Administration	7,377	5,700
Equipment	3,436	2,800
Materials, Supplies and Services	125	3,700
Professional & Contract Services	568	4,000
Salaries	153,169	151,800
Travel & Training	6,621	5,000
	171,296	173,000
Election Expenses		
Administration	7,939	-
Equipment	1,904	-
Materials, Supplies & Services	30,836	-
Professional & Contract Services	692,981	-
Travel & Training	5,317	-
	738,977	-
Total Elections	**910,273**	**173,000**
TOTAL LEGISLATIVE ASSEMBLY	**3,652,466**	**3,106,300**

DEPARTMENT OF THE PROVINCIAL TREASURY

	EXPENDITURES $	ESTIMATES $
ADMINISTRATION		
General		
Administration	19,825	19,700
Equipment	5,238	5,000
Materials, Supplies & Services	1,487	3,600
Professional & Contract Services	-	25,800
Salaries	394,520	408,300
Travel & Training	64,444	77,500
Total Administration	**485,514**	**539,900**
FISCAL MANAGEMENT		
General		
Administration	30,690	39,100
Equipment	101,409	13,000
Materials, Supplies & Services	12,306	16,900
Professional & Contract Services	54,696	45,000
Salaries	616,213	738,600
Travel & Training	56,669	45,000
Total Fiscal Management	**8 1,983**	**897,600**
POLICY AND EVALUATION		
General		
Administration	4,391	6,100
Equipment	2,061	2,000
Materials, Supplies & Services	421	2,400
Salaries	219,704	237,300
Travel & Training	5,298	9,300
	231,875	257,100
Risk Management and Insurance		
Administration	5,181	5,200
Equipment	9,952	4,400
Materials, Supplies & Services	1,194	800
Professional & Contract Services	50,150	43,800
Salaries	163,308	149,600
Travel & Training	4,487	7,200
	234,272	211,000
Total Policy and Evaluation	**466,147**	**468,100**

DEPARTMENT OF THE PROVINCIAL TREASURY

Continued

	EXPENDITURES $	ESTIMATES $
TAXATION AND PROPERTY RECORDS		
Administration		
Administration	21,730	19,500
Debt	850,000	1,020,000
Equipment	26	-
Materials, Supplies & Services	8,935	12,000
Salaries	402,964	242,400
Travel & Training	29,636	15,000
	1,313,291	1,308,900
Tax Audit, Collection and Inspection Services		
Salaries	888,100	930,000
Travel & Training	76,776	85,400
	964,876	1,015,400
Tax Administration and Client Services		
Administration	158,369	143,400
Equipment	9,662	10,000
Materials, Supplies & Services	53,295	50,500
Professional & Contract Services	226,452	221,400
Salaries	929,537	1,112,300
Travel & Training	4,963	7,800
	1,382,278	1,545,400
Information Technology and Geomatics Services		
Equipment	65,790	62,300
Materials, Supplies & Services	142,259	87,500
Professional & Contract Services	42,965	15,000
Salaries	440,202	459,400
Travel & Training	31,088	35,000
	722,304	659,200
Property Assessment Services		
Materials, Supplies & Services	7,566	6,000
Salaries	881,203	904,000
Travel & Training	57,749	62,000
	946,518	972,000
Total Taxation and Property Records	**5,329,267**	**5,500,900**
OFFICE OF THE COMPTROLLER		
Accounting		
Administration	42,130	26,300
Equipment	6,737	5,700
Materials, Supplies & Services	353,333	119,900
Professional & Contract Services	205,913	204,600
Salaries	656,289	652,100
Travel & Training	9,994	8,600
	1,274,396	1,017,200

DEPARTMENT OF THE PROVINCIAL TREASURY

Continued

	EXPENDITURES $	ESTIMATES $
Procurement		
Administration	9,010	11,900
Equipment	3,177	14,900
Materials, Supplies & Services	2,536	4,700
Professional & Contract Services	-	4,000
Salaries	309,981	305,600
Travel & Training	6,151	7,300
	330,855	348,400
Total Office of the Comptroller	**1,605,251**	**1,365,600**
INFORMATION SERVICES		
Document Publishing Centre		
Administration	896,419	926,000
Equipment	433	-
Materials, Supplies & Services	568,216	629,400
Professional & Contract Services	48,006	50,000
Salaries	488,643	464,800
Travel & Training	2,051	5,000
	2,003,768	2,075,200
Multimedia Services		
Administration	13,626	14,700
Equipment	8,316	6,200
Materials, Supplies & Services	59,544	69,200
Professional & Contract Services	5,099	-
Salaries	608,458	575,500
Travel & Training	15,610	28,500
	710,653	694,100
Strategic Marketing and Design		
Administration	22,012	33,900
Equipment	16,636	6,000
Materials, Supplies & Services	37,741	86,000
Professional & Contract Services	2,400	-
Salaries	370,909	419,900
Travel & Training	7,408	9,300
	457,106	555,100
Administration		
Administration	4,148	3,500
Equipment	12,243	12,700
Materials, Supplies & Services	2,113	1,100
Professional & Contract Services	7,200	-
Salaries	306,605	378,400
Travel & Training	182	-
	332,491	395,700
Total Information Services	**3,504,018**	**3,720,100**

DEPARTMENT OF THE PROVINCIAL TREASURY

Continued

	EXPENDITURES $	ESTIMATES $
ECONOMICS, STATISTICS AND FEDERAL FISCAL RELATIONS		
General		
Administration	8,834	9,900
Equipment	1,454	5,500
Materials, Supplies & Services	4,457	2,800
Professional & Contract Services	67,806	50,500
Salaries	317,883	330,900
Travel & Training	45,994	54,700
Total Economics, Statistics and Federal Fiscal Relations	**446,428**	**454,300**
INFORMATION TECHNOLOGY MANAGEMENT GROUP		
Administration		
Administration	22,354	5,100
Equipment	12,201	1,500
Materials, Supplies & Services	2,039	500
Salaries	206,893	186,100
Travel & Training	50,359	6,500
	293,846	199,700
Information Systems Delivery		
Administration	27,497	21,000
Equipment	37,567	7,100
Materials, Supplies & Services	6,173	2,800
Professional & Contract Services	-	23,000
Salaries	1,064,861	1,159,000
Travel & Training	78,544	28,300
	1,214,642	1,241,200
It Operations		
Administration	42,902	78,700
Equipment	80,122	4,700
Materials, Supplies & Services	1,259,352	1,405,500
Professional & Contract Services	47,191	-
Salaries	838,995	764,400
Travel & Training	33,383	22,200
	2,301,945	2,275,500
Telecommunications		
Administration	63,379	56,100
Equipment	24,991	29,500
Materials, Supplies & Services	32,453	29,500
Professional & Contract Services	5,780	-
Salaries	240,518	239,200
Travel & Training	4,551	10,200
	371,672	364,500
Total Information Technology Management Group	**4,182,105**	**4,080,900**
TOTAL DEPARTMENT OF THE PROVINCIAL TREASURY	**16,890,713**	**17,027,400**

GENERAL GOVERNMENT

	EXPENDITURES $	ESTIMATES $
MISCELLANEOUS GENERAL		
Administration	99,314	130,000
Professional & Contract Services	600	35,900
Travel & Training	162,877	95,900
Total Miscellaneous General	262,791	261,800
GRANTS		
Eastern Canadian Premiers Secretariat	4,274	5,100
Relief from Property Tax	581,931	776,000
Charlottetown Driving Park	701,113	725,000
Prince County Horseman's Association	154,588	85,000
Miscellaneous	311,307	348,600
Total Grants	1,753,213	1,939,700
GOVERNMENT INSURANCE PROGRAM		
Administration	791,332	825,700
Total Government Insurance Program	791,332	825,700
MUNICIPAL GRANTS		
Grants		
CUSA Contingency	1,317,760	1,317,800
Total Municipal Grants	1,317,760	1,317,800
SALARY NEGOTIATIONS		
Salaries	-	48,400
Total Salary Negotiations	-	48,400
CONTINGENCY FUND		
Administration	110,853	-
Materials, Supplies & Services	6,565	-
Professional & Contract Services	134,780	-
Travel & Training	6,249	-
Grants		
Miscellaneous	2,365,160	2,700,000
Total Contingency Fund	2,623,607	2,700,000
TOTAL GENERAL GOVERNMENT	6,748,703	7,093,400

P.E.I. LENDING AGENCY

	EXPENDITURES $	ESTIMATES $
GENERAL		
Grants - Net Lending Operations	786,400	794,300
TOTAL PEI LENDING AGENCY	**786,400**	**794,300**

COUNCIL OF MARITIME PREMIERS

	EXPENDITURES $	ESTIMATES $
COUNCIL OF MARITIME PREMIERS		
Maritime Provinces Education Foundation	16,129	16,200
Council of Maritime Premiers Secretariat	79,197	76,700
Maritime Municipal Training & Development Board	14,213	24,600
Maritime Provinces Higher Education Commission	65,551	50,800
Geomatics Board	8,610	15,400
TOTAL COUNCIL OF MARITIME PREMIERS	**183,700**	**183,700**

INTERMINISTERIAL WOMEN'S SECRETARIAT

	EXPENDITURES $	ESTIMATES $
INTERMINISTERIAL WOMEN'S SECRETARIAT		
Administration	1,066	1,000
Equipment	3,071	-
Materials, Supplies and Services	176	500
Professional & Contract Services	11,650	19,000
Salaries	93,617	117,400
Travel	8,107	6,000
Grants		
Family Violence	50,000	50,000
Advisory Council on the Status of Women	144,300	144,300
Women's Network	5,400	5,400
TOTAL INTERMINISTERIAL WOMEN'S SECRETARIAT	**317,387**	**343,600**

PUBLIC SERVICE COMMISSION

	EXPENDITURES $	ESTIMATES $
MANAGEMENT		
Administration	57,827	27,900
Equipment	21,611	12,600
Materials, Supplies and Services	42,011	3,100
Professional & Contract Services	1,009,393	1,099,400
Salaries	553,286	543,700
Travel & Training	27,089	45,700
Grants		
Miscellaneous	10,000	30,000
Total Management	1,721,217	1,762,400
EMPLOYEE RELATIONS		
Employee Benefits		
Administration	6,808	11,300
Equipment	600	1,500
Materials, Supplies and Services	645	5,200
Professional & Contract Services	-	5,000
Salaries	256,069	257,100
Travel & Training	4,445	4,500
	268,567	284,600
Personnel Services		
Administration	13,387	4,200
Equipment	1,239	1,000
Materials, Supplies and Services	6,189	4,000
Professional & Contract Services	722,119	709,300
Salaries	339,825	371,700
Travel & Training	15,254	14,200
	1,098,013	1,104,400
Classification Services		
Administration	1,457	4,600
Equipment	4,508	1,500
Materials, Supplies and Services	333	2,000
Salaries	276,582	276,200
Travel & Training	3,243	4,500
	286,123	288,800
Total Employee Relations	1,652,703	1,677,800
STAFF DEVELOPMENT		
Learning Centre		
Administration	66,576	11,100
Equipment	960	2,900
Materials, Supplies and Services	8,151	4,800
Professional & Contract Services	28,071	-
Salaries	311,919	356,900
Travel & Training	9,276	67,200
	424,953	442,900

PUBLIC SERVICE COMMISSION

Continued

	EXPENDITURES $	ESTIMATES $
Employee Assistance Programs		
Administration	18,585	17,200
Equipment	2,820	2,500
Materials, Supplies and Services	1,443	5,300
Professional & Contract Services	114	-
Salaries	161,921	192,900
Travel & Training	9,020	8,000
	193,903	225,900
Occupational Health and Safety		
Administration	4,928	5,100
Equipment	5,545	2,500
Materials, Supplies and Services	3,637	5,700
Professional & Contract Services	2,649	15,000
Salaries	126,021	134,100
Travel & Training	16,042	11,900
	158,822	174,300
Language Training		
Administration	10,144	10,000
Materials, Supplies and Services	1,787	3,000
Professional & Contract Services	100	-
Salaries	212,381	231,400
Travel & Training	1,923	10,000
	226,335	254,400
Total Staff Development	**1,004,013**	**1,097,500**
STAFFING		
Administration	18,585	18,000
Equipment	3,014	2,300
Materials, Supplies and Services	70,614	42,700
Professional & Contract Services	5,480	-
Salaries	830,963	769,600
Travel & Training	13,803	12,500
Total Staffing	**942,459**	**845,100**
TOTAL PUBLIC SERVICE COMMISSION	**5,320,392**	**5,382,800**

EMPLOYEE BENEFITS

	EXPENDITURES $	ESTIMATES $
MEDICAL AND LIFE BENEFITS		
Salaries	431,647	597,000
EMPLOYEE FUTURE BENEFITS		
Salaries	7,615,181	2,048,000
GOVERNMENT PENSION CONTRIBUTION		
Salaries	7,768,283	7,585,100
PENSION MANAGEMENT		
Administration	3,997	14,800
Equipment	-	5,000
Professional & Contract Services	55,582	124,000
Salaries	20,097	28,300
Travel & Training	491	-
	80,167	172,100
TOTAL EMPLOYEE BENEFITS	15,895,278	10,402,200

DEPARTMENT OF TOURISM

	EXPENDITURES $	ESTIMATES $
DEPARTMENT MANAGEMENT		
Administration	11,323	15,600
Equipment	31,599	3,000
Materials, Supplies & Services	20,988	19,600
Professional & Contract Services	16,905	18,500
Salaries	49,558	88,400
Travel & Training	8,713	16,700
TOTAL TOURISM	**139,086**	**161,800**

TOURISM PEI

	EXPENDITURES $	ESTIMATES $
TOURISM PEI		
Grants		
Tourism PEI Inc	10,109,747	9,712,900
TOTAL TOURISM PEI	**10,109,747**	**9,712,900**

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

	EXPENDITURES $	ESTIMATES $
DEPARTMENTAL MANAGEMENT		
Executive Office		
Administration	28,479	7,300
Equipment	1,414	2,000
Materials, Supplies & Services	21,721	17,000
Salaries	230,733	218,000
Travel & Training	40,026	25,000
	322,373	269,300
Director's Office - Finance, HR and Operations		
Administration	10,589	6,100
Equipment	275	2,000
Materials, Supplies & Services	366	500
Professional & Contract Services	27,920	40,000
Salaries	289,836	237,800
Travel & Training	13,248	5,000
	342,234	291,400
Finance Section		
Administration	24,764	25,000
Equipment	1,939	3,200
Materials, Supplies & Services	8,873	7,300
Salaries	255,351	283,200
Travel & Training	3,509	1,500
	294,436	320,200
Human Resources Section		
Administration	5,865	5,100
Equipment	5,437	1,100
Materials, Supplies & Services	112	2,400
Professional & Contract Services	169,463	133,700
Salaries	369,998	364,500
Travel & Training	9,647	10,500
	560,522	517,300
Total Departmental Management	**1,519,565**	**1,398,200**
HIGHWAY SAFETY OPERATIONS		
Highway Safety Administration		
Administration	62,471	66,300
Equipment	2,983	36,000
Materials, Supplies & Services	2,618	3,000
Professional & Contract Services	27,230	259,500
Salaries	41,212	76,100
Travel & Training	5,629	11,500
	142,143	452,400

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Promotion Highway Safety		
Administration	4,573	9,500
Equipment	5,908	10,800
Materials, Supplies & Services	103,181	48,700
Professional & Contract Services	7,739	3,700
Salaries	434,879	470,600
Travel & Training	25,723	36,600
	582,003	579,900
Registration and Licensing		
Administration	5,179	11,500
Equipment	11,784	9,500
Materials, Supplies & Services	114,266	78,100
Professional & Contract Services	4,108	1,000
Salaries	246,611	259,600
Travel & Training	3,214	6,600
	385,162	366,300
Records		
Salaries	180,045	177,400
	180,045	177,400
Summerside Deputy Registrar's Office		
Salaries	162,694	154,700
Travel & Training	50	1,500
	162,744	156,200
Highway Scales		
Administration	14,995	9,700
Equipment	45,377	63,000
Materials, Supplies & Services	23,792	23,500
Professional & Contract Services	7,341	9,700
Salaries	456,721	393,100
Travel & Training	25,528	22,600
	573,754	521,600
Total Highway Safety Operations	2,025,851	2,253,800
ENVIRONMENTAL MANAGEMENT		
General		
Administration	9,243	5,000
Equipment	3,118	10,000
Materials, Supplies & Services	5,168	3,700
Professional & Contract Services	69,017	22,000
Salaries	310,469	330,100
Travel & Training	36,790	36,700
Total Environmental Management	433,805	407,500

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
HIGHWAY MAINTENANCE OPERATIONS		
Highway Maintenance Administration - Director's Office		
Administration	14,021	4,300
Equipment	3,072	1,400
Materials, Supplies & Services	32.903	600
Professional & Contract Services	62,186	100,000
Salaries	216,831	207,600
Travel & Training	19,595	13,200
Grants		
Slemon Park	75,162	80,600
	423,770	407,700
Maintenance Administration - Western Region		
Administration	36,044	6,700
Equipment	2,754	2,500
Materials, Supplies & Services	1,884	600
Salaries	315,165	378,900
Travel & Training	65,503	43,500
	421,350	432,200
Maintenance Administration - Central Region		
Administration	60,474	7,700
Equipment	2,730	2,000
Materials, Supplies & Services	7,120	600
Salaries	347,682	441,600
Travel & Training	65,849	59,500
	483,855	511,400
Maintenance Administration - Eastern Region		
Administration	60,543	13,800
Equipment	1,117	2,000
Materials, Supplies & Services	90	700
Salaries	414,668	408,800
Travel & Training	101,990	44,500
	578,408	469,800
Highway Maintenance - Zone Operations - Western		
Materials, Supplies & Services	2,825	-
Salaries	2,200,845	1,941,100
Travel & Training	67,780	30,000
	2,271,450	1,971,100
Highway Maintenance - Zone Operations - Central		
Equipment	198	-
Materials, Supplies & Services	40	-
Salaries	3,271,836	2,650,900
Travel & Training	103,944	15,000
	3,376,018	2,665,900
Highway Maintenance - Zone Operations - Eastern		
Administration	2,991	-
Equipment	240	-
Salaries	2,352,239	2,191,300
Travel & Training	31,761	19,500
	2,387,231	2,210,800

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Summer Maintenance - Western Region		
Administration	570	-
Equipment	7,972	-
Materials, Supplies & Services	1,633,151	1,526,300
Professional & Contract Services	81,067	27,000
Travel & Training	2,457	-
	1,725,217	1,553,300
Summer Maintenance - Central Region		
Materials, Supplies & Services	2,274,400	1,870,900
Professional & Contract Services	210,449	31,500
Salaries	1,010	-
Travel & Training	12,360	-
	2,498,219	1,902,400
Summer Maintenance - Eastern Region		
Administration	446	-
Materials, Supplies & Services	1,564,118	1,414,200
Professional & Contract Services	50,886	45,100
Travel & Training	44	-
	1,615,494	1,459,300
Summer Maintenance - Rails to Trails Maintenance		
Administration	9,058	-
Materials, Supplies & Services	96,493	49,200
Professional & Contract Services	41,894	-
Salaries	295,267	264,000
Travel & Training	42,950	20,800
	485,662	334,000
Winter Maintenance - Western Region		
Materials, Supplies & Services	1,058,886	794,000
Professional & Contract Services	2,609,675	2,545,500
Salaries	496,069	248,200
	4,164,630	3,587,700
Winter Maintenance - Central Region		
Materials, Supplies & Services	1,771,218	1,347,800
Professional & Contract Services	2,183,669	2,584,000
Salaries	828,136	270,000
Travel & Training	183	-
	4,783,206	4,201,800
Winter Maintenance - Eastern Region		
Materials, Supplies & Services	962,620	811,600
Professional & Contract Services	920,026	1,048,400
Salaries	512,073	220,400
Travel & Training	7,115	-
	2,401,834	2,080,400
Mechanical - Charlottetown Garage - Direct		
Administration	36,775	35,700
Equipment	14,612	-
Materials, Supplies & Services	1,742,496	1,100,600
Salaries	1,611,440	1,719,800
Travel & Training	7,318	4,100
	3,412,641	2,860,200

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Mechanical - Charlottetown Garage - Indirect		
Administration	62,005	63,900
Equipment	30,168	58,000
Materials, Supplies & Services	282,574	197,500
Professional & Contract	26,221	20,000
Salaries	491,754	556,300
Travel & Training	12,592	4,000
	905,314	899,700
Mechanical - Summerside Garage - Direct		
Administration	18,433	16,000
Equipment	7,000	-
Materials, Supplies & Services	1,054,990	558,900
Professional & Contract	11,668	20,000
Salaries	585,578	524,400
Travel & Training	3,906	1,500
	1,681,575	1,120,800
Mechanical - Summerside Garage - Indirect		
Administration	14,658	23,000
Equipment	4,818	6,200
Materials, Supplies & Services	83,314	52,900
Professional & Contract	1,200	-
Salaries	86,283	89,100
Travel & Training	5,155	2,000
	195,428	173,200
Mechanical - Operators - Western Region		
Materials, Supplies & Services	903	2,800
Salaries	845,425	834,500
Travel & Training	17,275	10,000
	863,603	847,300
Mechanical - Operators - Central Region		
Administration	1,347	-
Equipment	59	-
Materials, Supplies & Services	56,433	45,400
Professional & Contract Services	130	-
Salaries	1,506,721	1,715,700
Travel & Training	46,934	12,700
	1,611,624	1,773,800
Mechanical - Operators - Eastern Region		
Administration	998	-
Materials, Supplies & Services	7,037	3,800
Salaries	779,431	883,800
Travel & Training	19,461	9,800
	806,927	897,400

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Mechanical - Bridgetown Highways Garage		
Administration	27,747	33,100
Equipment	13,429	-
Materials, Supplies & Services	614,915	398,700
Professional & Contract Services	30,871	20,000
Salaries	691,410	690,600
Travel & Training	8,920	1,200
	1,387,292	1,143,600
Bridge Maintenance - Operations		
Administration	4,152	-
Materials, Supplies & Services	147,693	135,900
Professional & Contract Services	69,695	70,000
Salaries	445,024	550,900
Travel & Training	17,470	6,000
	684,034	762,800
Bridge Maintenance - Hillsborough Bridge		
Professional & Contract Services	1,213,694	1,200,000
	1,213,694	1,200,000
Total Highway Maintenance Operations	**40,378,476**	**35,466,600**
PUBLIC WORKS OPERATIONS		
Public Works Operations - Administration		
Administration	19,460	8,600
Equipment	15,439	28,000
Materials, Supplies & Services	41,164	18,400
Professional & Contract Services	3,431	85,000
Salaries	572,602	895,200
Travel & Training	27,550	46,200
	679,646	1,081,400
Public Works Operations Administration - District Heating Plant		
Materials, Supplies & Services	139,271	162,000
Professional & Contract Services	2,426,983	2,200,000
	2,566,254	2,362,000
Building Maintenance Direct-Dr Eric Found Health Centre		
Administration	30,214	-
Materials, Supplies & Services	11,609	37,300
Professional & Contract Services	15,872	-
	57,695	37,300
Building Maintenance Direct-Shaw & Sullivan Buildings		
Administration	263,355	349,000
Equipment	19,339	-
Materials, Supplies & Services	498,644	601,400
Professional & Contract Services	280,636	215,000
Salaries	712,537	569,500
Travel & Training	3,734	6,000
	1,778,245	1,740,900

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Building Maintenance Direct-Jones Building		
Administration	152,876	149,500
Equipment	10,357	-
Materials, Supplies & Services	228,171	183,400
Professional & Contract Services	24,403	43,000
Salaries	177,876	184,300
Travel	3,363	-
	597,046	560,200
Building Maintenance Direct-Province House		
Administration	31,831	30,600
Materials, Supplies & Services	89,613	80,400
Professional & Contract Services	15,379	6,200
Salaries	36,588	32,200
	173,411	149,400
Building Maintenance Direct-Province House Annex		
Administration	7,047	6,100
Materials, Supplies & Services	15,277	28,800
Professional & Contract Services	13,095	9,000
	35,419	43,900
Building Maintenance Direct-Government House		
Administration	25,273	22,600
Equipment	3,539	10,000
Materials, Supplies & Services	146,092	85,600
Professional & Contract Services	87,147	30,000
Salaries	214,093	218,300
Travel & Training	2,905	3,500
	479,049	370,000
Building Maintenance Direct-Customs House		
Administration	7,369	8,400
Materials, Supplies & Services	25,004	33,500
Professional & Contract Services	14,007	10,700
Salaries	-	2,200
	46,380	54,800
Building Maintenance Direct-Portable Classrooms		
Materials, Supplies & Services	22,275	13,900
Professional & Contract Services	15,875	10,000
	38,150	23,900
Building Maintenance Direct-Coles Building		
Administration	35,986	40,600
Materials, Supplies & Services	67,421	48,800
Professional & Contract Services	20,498	20,000
Salaries	29,900	-
	153,805	109,400

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Building Maintenance Direct-Prince County Jail & Courthouse		
Administration	13,179	19,000
Materials, Supplies & Services	46,074	75,000
Professional & Contract Services	8,443	6,000
Salaries	28,669	48,000
Travel	10	-
	96,375	148,000
Building Maintenance Direct-Summerside Youth Centre		
Administration	76,526	99,000
Materials, Supplies & Services	114,734	125,400
Professional & Contract Services	19,547	16,000
Salaries	49,627	35,800
	260,434	276,200
Building Maintenance Direct-Provincial Correctional Centre		
Administration	15,183	7,700
Equipment	733	1,400
Materials, Supplies & Services	176,343	185,700
Professional & Contract Services	16,258	4,000
Salaries	39,594	39,100
	248,111	237,900
Building Maintenance Direct-Montague Office Complex		
Administration	6,939	7,000
Materials, Supplies & Services	45,919	55,200
Professional & Contract Services	37,494	18,000
	90,352	80,200
Building Maintenance Direct-Southern Kings		
Administration	4,528	4,400
Equipment	872	-
Materials, Supplies & Services	51,576	51,300
Professional & Contract Services	33,737	17,000
	90,713	72,700
Building Maintenance Direct-West Prince RSC		
Administration	7,420	8,000
Materials, Supplies & Services	21,191	50,400
Professional & Contract Services	26,051	15,500
	54,662	73,900
Building Maintenance Direct-Small Buildings		
Administration	31,776	47,400
Equipment	1,647	1,000
Materials, Supplies & Services	241,123	548,000
Professional & Contract Services	166,213	41,100
Salaries	84,904	57,600
Travel & Training	2,640	-
	528,303	695,100

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS Continued

	EXPENDITURES $	ESTIMATES $
Building Maintenance Direct-Highways Materials Testing Lab		
Administration	2,685	3,000
Equipment	20	-
Materials, Supplies & Services	24,629	38,000
Professional & Contract Services	4,893	14,000
Salaries	17,979	-
	50,206	55,000
Building Maintenance Direct-Brighton Road Office Complex		
Administration	523	25,000
Materials, Supplies & Services	20,204	52,000
Professional & Contract Services	19,979	32,000
Salaries	-	11,000
	40,706	120,000
Building Maintenance Direct-Holland College - Royalty		
Materials, Supplies & Services	219,896	-
	219,896	-
Building Accommodations - Small Lease Accommodations		
Administration	273,384	251,200
Equipment	1,155	-
Materials, Supplies & Services	21,246	10,600
Professional & Contract Services	8,764	4,400
	304,549	266,200
Building Accommodations - Evangeline RSC		
Administration	63,896	47,700
Materials, Supplies & Services	2,516	3,600
	66,412	51,300
Building Accommodations-Johnny Ross Young RSC		
Administration	204,369	187,700
Materials, Supplies & Services	6,963	8,800
Professional & Contract Services	875	-
	212,207	196,500
Building Accommodations-Research Station		
Administration	18,099	18,400
Materials, Supplies & Services	336,465	275,000
Professional & Contract Services	1,288	-
	355,852	293,400
Building Accommodations-Queens Region Health Authority		
Administration	402,064	400,100
Materials, Supplies & Services	142	5,000
Professional & Contract Services	330	-
	402,536	405,100
Building Accommodations - Health Agency		
Administration	335,950	295,800
Materials, Supplies & Services	455	5,000
Professional & Contract Services	326	-
	336,731	300,800

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Building Accommodations - Media Centre		
Administration	34,931	56,300
Materials, Supplies & Services	72	-
Professional & Contract Services	332	-
	35,335	56,300
Building Accommodations-Provincial Library Morell		
Administration	169,164	163,000
Materials, Supplies & Services	2,123	-
Professional & Contract Services	593	-
	171,880	163,000
Building Accommodations - St. Paul's Rectory		
Administration	19,928	20,900
Materials, Supplies & Services	6,936	9,700
Professional & Contract Services	5,393	4,000
	32,257	34,600
Building Accommodations - Holland College		
Administration	29,045	58,500
Materials, Supplies & Services	872	-
Professional & Contract Services	553	-
	30,470	58,500
Building Accommodations - Albert Thomas Building		
Administration	59,178	51,300
Materials, Supplies & Services	17,009	20,400
Professional & Contract Services	7,110	5,500
	83,297	77,200
Building Accommodations - Sherwood Fire Hall		
Administration	102,332	170,100
Materials, Supplies & Services	4,944	1,000
Professional & Contract Services	3,630	11,000
Salaries	32,312	30,000
	143,218	212,100
Building Accommodations - Concorde Building		
Administration	147,174	153,000
Materials, Supplies & Services	24,775	5,000
	171,949	158,000
Building Accommodations - Davies Law Court		
Administration	483,501	566,300
Materials, Supplies & Services	106,400	95,100
Professional & Contract Services	148,054	130,000
	737,955	791,400
Building Accommodations - Highway Safety Office		
Administration	150,188	137,000
Materials, Supplies & Services	781	10,000
Professional & Contract Services	120	-
	151,089	147,000

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Building Accommodations - Stonehouse VIC		
Administration	48,172	43,500
Materials, Supplies & Services	6,095	4,800
Professional & Contract Services	11,339	1,600
	65,606	49,900
Building Accommodations - Cambridge Building		
Administration	148,513	144,800
Materials, Supplies & Services	9,776	11,500
Professional & Contract Services	14,913	7,100
	173,202	163,400
Building Accommodations - Fisheries Warehouse		
Administration	38,219	35,600
Materials, Supplies & Services	8,145	8,500
Professional & Contract Services	1,225	-
	47,589	44,100
Building Accommodations - Georgetown Office Accommodations		
Administration	45,886	50,000
Materials, Supplies & Services	389	-
	46,275	50,000
Building Accommodations - Kelly Building - Courthouse		
Administration	215,897	278,100
Materials, Supplies & Services	722	37,000
Professional & Contract Services	417	40,000
	217,036	355,100
Building Accommodations - Access PEI - Summerside		
Administration	501,247	583,000
Materials, Supplies & Services	16,419	-
Professional & Contract Services	210	-
	517,876	583,000
Building Accommodations - Queens County Sheriff's Office		
Administration	34,500	51,000
Materials, Supplies & Services	4,210	-
Professional & Contract Services	321	3,000
	39,031	54,000
Building Accommodations - Technology PEI		
Administration	55,296	48,000
	55,296	48,000
Building Accommodations - Smallman Building		
Administration	1,813,891	-
Materials, Supplies & Services	5,821	-
Professional & Contract Services	786	-
	1,820,498	-

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Properties - Properties		
Administration	112,369	85,600
Debt	150,102	-
Equipment	3,602	16,800
Materials, Supplies & Services	31,221	8,500
Professional & Contract Services	22,537	35,400
Salaries	693,788	732,300
Travel & Training	41,528	36,800
	1,055,147	915,400
Properties - Crown Land Management		
Materials, Supplies & Services	-	25,000
Professional & Contract Services	31,086	25,000
	31,086	50,000
Total Public Works Operations	15,589,237	13,816,500
CAPITAL PROJECT DIVISION		
Chief Engineer's Office		
Administration	10,007	15,100
Equipment	721	6,500
Materials, Supplies & Services	60,327	81,000
Professional & Contract Services	103,966	107,000
Salaries	238,306	241,800
Travel & Training	19,172	29,500
	432,499	480,900
Western Region		
Administration	38,756	30,500
Equipment	83,432	63,200
Materials, Supplies & Services	44,734	7,500
Professional & Contract Services	17,034	3,000
Salaries	885,711	1,053,400
Travel & Training	64,949	61,600
	1,134,616	1,219,200
Central Region		
Administration	24,423	19,200
Equipment	76,255	47,000
Materials, Supplies & Services	27,687	25,500
Professional & Contract Services	99,659	1,000
Salaries	780,335	896,100
Travel & Training	45,433	71,300
	1,053,792	1,060,100

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS Continued

	EXPENDITURES $	ESTIMATES $
Eastern Region		
Administration	16,692	20,500
Equipment	29,253	53,500
Materials, Supplies & Services	24,814	9,500
Professional & Contract Services	10,840	3,000
Salaries	624,528	831,400
Travel & Training	36,303	87,900
	742,430	1,005,800
Traffic Operations - Western Region		
Administration	1,776	-
Equipment	795	2,700
Materials, Supplies & Services	237,825	259,600
Professional & Contract Services	4,110	2,000
Salaries	278,262	295,200
Travel & Training	17,918	11,400
	540,686	570,900
Traffic Operations - Central Region		
Administration	5,494	2,000
Equipment	35,923	7,000
Materials, Supplies & Services	533,224	521,800
Professional & Contract Services	9,294	8,100
Salaries	374,512	389,600
Travel & Training	28,365	17,800
	986,812	946,300
Traffic Operations - Eastern Region		
Administration	6,095	-
Equipment	-	3,000
Materials, Supplies & Services	315,976	241,600
Professional & Contract Services	8,482	45,500
Salaries	234,436	233,700
Travel & Training	18,730	14,700
	583,719	538,500
Traffic Operations - Sign Shop		
Administration	1,914	2,500
Equipment	5,462	-
Materials, Supplies & Services	178,408	83,000
Professional & Contract Services	2,935	10,000
Salaries	125,983	130,700
Travel & Training	3,038	2,000
	317,740	228,200

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
Engineering Services - Operations		
Administration	12,661	6,100
Equipment	24,378	40,000
Materials, Supplies & Services	11,272	6,000
Professional & Contract Services	7,355	19,500
Salaries	274,685	292,700
Travel & Training	20,233	23,200
Grants		
Transportation Advisory Service	20,000	20,000
	370,584	407,500
Engineering Services - Surveys		
Administration	5,325	2,400
Equipment	4,994	7,500
Materials, Supplies & Services	10,469	5,500
Professional & Contract Services	54,780	54,500
Salaries	299,932	339,400
Travel & Training	18,983	11,700
	394,483	421,000
Highway Design		
Administration	3,552	2,800
Equipment	58,033	36,400
Materials, Supplies & Services	6,973	31,000
Professional & Contract Services	19,213	40,900
Salaries	199,743	259,200
Travel & Training	4,756	20,500
	292,270	390,800
Materials Testing Lab		
Administration	25,513	22,600
Equipment	122,355	23,000
Materials, Supplies & Services	42,921	17,500
Professional & Contract Services	1,225	5,000
Salaries	912,899	1,034,700
Travel & Training	51,938	103,100
	1,156,851	1,205,900
Pavement Management		
Administration	5,303	4,700
Equipment	-	100
Materials, Supplies & Services	19,021	48,000
Professional & Contract Services	4,600	6,000
Salaries	108,178	133,100
Travel & Training	7,065	17,500
	144,167	209,400
Total Capital Project Division	8,150,649	8,684,500

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

Continued

	EXPENDITURES $	ESTIMATES $
PLANNING, DEVELOPMENT & BUILDING CONSTRUCTION		
Directors Office		
Administration	7,240	8,800
Equipment	8,816	4,000
Materials, Supplies & Services	4,894	5,600
Professional & Contract Services	384,014	80,000
Salaries	145,418	139,800
Travel & Training	4,609	19,000
	554,991	257,200
Planning and Design		
Administration	2,403	6,800
Equipment	320	4,400
Materials, Supplies & Services	1,486	7,300
Professional & Contract Services	4,406	12,500
Salaries	129,286	189,100
Travel & Training	9,638	15,500
	147,539	235,600
Building Construction		
Administration	3,988	4,000
Equipment	801	1,000
Materials, Supplies & Services	375	2,000
Salaries	204,046	218,600
Travel & Training	29,380	24,700
	238,590	250,300
Building Design		
Administration	5,930	3,400
Equipment	1,480	3,000
Materials, Supplies & Services	1,388	1,000
Professional & Contract Services	1,937	6,100
Salaries	257,778	212,400
Travel & Training	18,463	11,700
	286,976	237,600
Total Planning Development & Building Cons.	**1,228,096**	**980,700**
PROVINCIAL WASTE MANAGEMENT		
Administration	149	1,900
Equipment	-	4,600
Materials, Supplies & Services	3,467	281,100
Professional & Contract Services	808,052	2,139,800
Salaries	95,245	100,200
Travel & Training	6,621	13,400
Grants		
Provincial Waste Management Corporation	-	750,000
Total Provincial Waste Management	**913,534**	**3,291,000**
TOTAL TRANSPORTATION AND PUBLIC WORKS	**70,239,213**	**66,298,800**

INTEREST CHARGES ON DEBT

	EXPENDITURES $	ESTIMATES $
INTEREST		
Debt	107,178,328	107,909,000
Total Interest	**107,178,328**	**107,909,000**
AMORTIZATION OF DEBENTURE DISCOUNT		
Debt	564,906	561,000
Total Amortization of Debenture Discount	**564,906**	**561,000**
TOTAL INTEREST CHARGES ON DEBT	**107,743,234**	**108,470,000**

Details

Of

Capital Revenues With Estimates

For the Year Ended March 31, 2001

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

	REVENUE $	ESTIMATES $
Land Sales	741,056	321,000
Other	346,331	130,000
TOTAL CAPITAL REVENUES	**1,087,387**	**451,000**

Details

Of

Capital Expenditures With Estimates

For the Year Ended March 31, 2001

DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

	EXPENDITURES $	ESTIMATES $
HIGHWAYS		
Bridges	1,507,592	2,975,000
Culverts	1,036,953	-
Provincial Paving	5,315,934	5,530,000
Highway Reconstruction	17,073,928	16,098,500
Highway Equipment	1,487,340	1,500,000
Total Highways	**26,421,747**	**26,103,500**
BUILDINGS		
O'Leary Community Hospital	4,854	17,800
Portage Visitor Information Centre	20,747	350,000
Shaw Building Renovations	210,342	425,000
Sullivan Building Renovations	288,574	300,000
Environmental Services Lab	235,268	250,800
Brighton Rd Office Complex Renovations	200,515	175,000
West Prince Regional Services Centre	160,448	268,500
Provincial Addiction Facility	96,018	80,000
East Prince Waste Management Facility	73,014	90,000
Jones Building Renovations	-	150,000
Holland College	250,000	-
Total Buildings	**1,539,780**	**2,107,100**
OTHER CAPITAL ASSETS		
Land Purchase	352,617	321,000
Dump Site Decommissioning	327,017	750,000
Plasma Spectrometer	174,570	159,500
International Trucking Registration Plan	124,898	150,000
Automated Ion Analyser	137,379	125,000
Integrated Traffic Monitoring System	50,085	50,000
Athena Sports Field	8,097	5,000
Brudenell Waste Treatment Facilities	134,567	-
Sally's Beach Development	73,964	-
Total Other Capital Assets	**1,383,194**	**1,560,500**
TOTAL CAPITAL EXPENDITURES	**29,344,721**	**29,771,100**

Province of
Prince Edward Island

Agencies, Boards, and Crown Corporations

Financial Statements

For the Year Ended March 31, 2001

PRICEWATERHOUSECOOPERS

The Charlottetown Area Development Corporation

Consolidated Financial Statements
March 31, 2001

The Charlottetown Area Development Corporation
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For the year ended March 31, 2001

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PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone +1 (902) 368 3100
Facsimile +1 (902) 566 5074

June 8, 2001

Auditors' Report

To the Board of Directors of
The Charlottetown Area Development Corporation

We have audited the consolidated balance sheet of **The Charlottetown Area Development Corporation** as at March 31, 2001 and the consolidated statements of earnings, retained earnings (deficit) and appropriated reserve and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

The Charlottetown Area Development Corporation

Consolidated Balance Sheet

As at March 31, 2001

	2001 $	2000 $
Assets		
Cash and cash equivalents (notes 6, 11 and 12)	2,335,028	2,315,691
Marketable securities – at cost (quoted market value of nil; 2000 - $2,022,438)	-	2,027,908
Accounts receivable and accrued interest (note 8)	2,192,807	3,554,107
Mortgage receivable (note 2)	10,834,916	11,194,162
Lease receivable	221,113	308,584
Capital assets (notes 3 and 8)	11,656,245	10,491,493
Investment in lease (notes 4 and 8)	4,043,839	6,566,295
Properties for development and Confederation Landing (notes 5 and 8)	2,598,892	2,887,327
Deferred financing costs (net of accumulated amortization of $1,237,534; 2000 – $1,217,977)	-	19,557
Land held for resale	205,000	-
	34,087,840	39,365,124
Liabilities		
Accounts payable and accrued liabilities	1,184,979	2,340,338
Term demand loans (note 7)	1,987,000	1,000,000
Long-term debt (note 8)	23,307,994	28,039,280
Deferred credits (note 9)	2,917,535	2,497,257
	29,397,508	33,876,875
Contingent liability (note 10)		
Shareholders' Equity		
Capital stock Authorized 5,000 common shares of the par value of $1 each		
Issued 2,500 shares	2,500	2,500
Contributed surplus	4,526,706	4,526,706
	4,529,206	4,529,206
Appropriated reserve (note 12)	404,444	455,616
Retained earnings (deficit)	(243,318)	503,427
	4,690,332	5,488,249
	34,087,840	39,365,124

Approved by the Board of Directors

_______________________ Director _______________________ Director

The Charlottetown Area Development Corporation

Consolidated Statement of Retained Earnings (Deficit) and Appropriated Reserve

For the year ended March 31, 2001

	2001 $	2000 $
Retained earnings – Beginning of year	503,427	217,390
Net loss for the year	(797,917)	(8,347)
	(294,490)	209,043
Transfer from appropriated reserve (note 12)	51,172	294,384
Retained earnings (deficit) – End of year	(243,318)	503,427

Appropriated reserve

	2001 $	2000 $
Balance – Beginning of year	455,616	750,000
Transfer to retained earnings (note 12)	(51,172)	(294,384)
Balance – End of year	404,444	455,616

The Charlottetown Area Development Corporation
Consolidated Statement of Earnings
For the year ended March 31, 2001

	2001 $	2000 $
Revenue		
Rentals	1,969,263	2,167,578
Interest	843,694	1,257,897
Interest on investment in lease	271,804	115,546
Parking lot	76,660	69,253
Operating (schedule)	117,135	125,729
	3,278,556	3,736,003
Expenses		
Operating (schedule)	499,462	482,415
Interest on long-term debt	1,478,748	1,351,093
Wages and benefits	12,887	19,150
Fuel	133,362	84,928
Heating system	33,908	41,757
Insurance	17,140	15,445
Common area	21,313	23,894
Property taxes	409,426	412,711
Utilities	104,599	104,670
Repairs and maintenance	133,992	158,649
Cleaning	51,577	52,378
Snow removal	13,232	6,189
Professional fees	9,101	9,161
Parking lot	23,654	26,842
Miscellaneous	1,662	2,924
Amortization	259,642	353,037
	3,203,705	3,145,243
	74,851	590,760
Other income (expense)		
Capital Commission	(648,389)	(203,114)
Brick Campaign	389	1,643
Provision for donated asset – Confederation Landing	(188,435)	(452,253)
Gain on sale of capital assets	-	349,001
Loss on sale of property held for development	(5,897)	-
Recovery of Smart Communities expenses	20,736	-
Capital asset maintenance program	(51,172)	(294,384)
	(872,768)	(599,107)
Net loss for the year	(797,917)	(8,347)

The Charlottetown Area Development Corporation

Consolidated Schedule of Operating Revenue and Operating Expenses

For the year ended March 31, 2001

	2001 $	2000 $
Revenue		
Management fee – leasing	68,654	67,355
– capital administration	5,844	2,000
Miscellaneous	42,637	56,374
	117,135	125,729
Expenses		
Wages and benefits	340,265	321,561
Professional fees	23,405	29,203
Directors' fees	43,350	44,225
Directors' meetings	2,420	2,925
Excess expense from rental properties	5,379	4,090
Office operations and sundry	35,598	25,174
Interest and bank charges	3,803	3,945
Repairs and maintenance	-	849
Telephone	9,368	8,889
Insurance	10,415	10,195
Travel	1,851	1,056
Concept planning	23,608	30,303
	499,462	482,415

The Charlottetown Area Development Corporation

Consolidated Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Operating activities		
Net loss for the year	(797,917)	(8,347)
Items not affecting cash		
Amortization of capital assets	320,983	319,096
Amortization of deferred financing costs and deferred credits (net)	(61,341)	33,941
Provision for donated asset – Confederation Landing	188,435	452,253
Gain on sale of capital assets	-	(349,001)
Loss on sale of property held for development	5,897	-
	(343,943)	447,942
Net change in non-cash working capital items		
– decrease (increase) in accounts receivable and accrued interest	1,361,300	(2,196,023)
– increase (decrease) in accounts payable and accrued liabilities	(1,155,359)	1,212,857
	(138,002)	(535,224)
Financing activities		
Proceeds on long-term debt	312,810	7,434,639
Decrease (increase) in lease receivable	87,471	(73,355)
Repayment of long-term debt	(5,044,096)	(18,668,983)
Decrease in mortgage receivable	359,246	901,435
Increase in term loan	987,000	1,000,000
Increase in deferred credits	501,175	1,945,151
	(2,796,394)	(7,461,113)
Investing activities		
Proceeds on sale of marketable securities	2,027,908	11,947,818
Increase in land held for resale	(205,000)	-
Purchase of marketable securities	-	(90,908)
Principal received on investment in lease	2,522,456	211,623
Purchase of capital assets	(1,485,734)	(1,203,496)
Proceeds on sale of capital assets	-	1,373,187
Proceeds on sale of land held for development	94,103	-
Increase in investment on lease	-	(4,890,222)
Decrease in sinking fund	-	1,945,912
	2,953,733	9,293,914
Change in cash and cash equivalents	19,337	1,297,577
Cash and cash equivalents – Beginning of year	2,315,691	1,018,114
Cash and cash equivalents – End of year	2,335,028	2,315,691

1 Summary of significant accounting policies

General

These financial statements include the operations of the Charlottetown Area Development Corporation and its wholly-owned subsidiaries, Harbourside Complex Limited and The Charlottetown Waterfront Development Corporation.

Capital assets and amortization

It is the Corporation's policy to expense small items of furniture and equipment.

Amortization of capital assets are calculated using the straight-line and declining balance method at the following annual rates:

	%
Land improvements	2.5 SL
Buildings	2.5 SL
Equipment	20 DB
Leasehold improvements	2.5 and 6.67 SL
Automotive	30 DB
Computer	30 DB

No amortization is taken on assets under construction.

Properties held for development

Land Assembly

The land assembly is recorded at cost.

CN Lands

The purchase of the CN lands was initially recorded at cost. The asset is being reduced by the proceeds from the sale of the property held for development. It is management's opinion that the company will not generate any gain or loss on the financing and sale of this property.

Confederation Landing

Confederation Landing consists of $767,546 in land costs and $1,488,650 in land improvement costs. The project has been written down to a nominal carrying value of $1 as the company entered into an agreement to dispose of the property for nominal consideration.

Land held for resale

Land held for resale is recorded at cost

Mortgage receivable

The mortgage receivable is recorded at cost.

Marketable securities

The investment in marketable securities is recorded at the lower of cost and quoted market value.

Grants and capital donations

Grants relating to general operations are recorded as revenue in the period in which they are received. Grants relating to the delivery of specific programs are recorded as revenue in the period in which the related expenditures are made.

Government contributions relating to capital property are recorded as deferred credits. The deferred credits are being amortized on the same basis as the related capital assets are being amortized or written off.

Management fee – leasing

The Corporation charges management fees based on market rates for financing and administering rental operations and the City's two parkades.

Deferred financing costs

The costs incurred in obtaining long-term financing have been deferred and are amortized on a straight-line basis over the five year term of the related financing.

Provision for possible losses

Any provision for possible losses is recorded in the statement of earnings. The provision for possible losses is based on historical trends and management's judgement and is maintained at a level considered to be adequate to absorb potential losses.

Provisions are recorded for specific investments to reduce their book value to an amount expected to be recovered from the investments in the event of an impairment in value. A variety of methods are used to determine the amount expected to be recovered from impaired investments including estimated future cash flows, estimated fair value of the underlying security and value of any collateral security taken.

No provision for possible losses has been recorded at March 31, 2001 (2000 – nil).

Management estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

Fair value of financial instruments

The company has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

2 Mortgage receivable

	2001 $	2000 $
5.851% mortgage, due May 2018, repayable in monthly instalments of $83,094 including principal and interest	10,834,916	11,194,162

The following have been pledged as security for the mortgage:

- First fixed and floating charge mortgage and debenture on the property, chattels and equipment of Dyne Realty Limited and Dyne Holdings Limited;
- Assignment of Dyne Holdings Limited and Dyne Realty Limited leases, rents and insurance proceeds;
- First fixed and floating charge mortgage on the property, chattels and equipment of Kent Realty Limited;
- Assignments of Kent Realty Limited leases, rents and insurance proceeds;
- A guarantee by Dyne Holdings Limited and Dyne Realty Limited of the Kent Realty Limited mortgage.

3 Capital assets

	2001			2000
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**	**Net** **$**
Harbourside	10,760,088	3,223,311	7,536,777	7,790,470
Peakes Wharf	1,596,297	453,051	1,143,246	1,185,703
Visitor Information Centre	393,425	36,414	357,011	364,293
Automotive	19,225	12,630	6,595	9,422
	12,769,035	3,725,406	9,043,629	9,349,888
Assets under construction				
Land – Founder's Hall	85,000	-	85,000	85,000
Building – Founder's Hall	2,527,616	-	2,527,616	1,056,605
	2,612,616	-	2,612,616	1,141,605
	15,381,651	3,725,406	11,656,245	10,491,493

Included in capital asset costs is land in the amount of $1,009,836 in Harbourside, $130,975 in Peakes Wharf and $102,123 in Visitor Information Centre. The balance of the assets are buildings, land improvements, leasehold improvements, computer and equipment.

4 Investment in lease

	2001 $	2000 $
Total minimum lease payments, repaid during the year	-	2,397,650
Less: Portion representing interest at 11.2%	-	679,071
	-	1,718,579
Total minimum lease payments due October 1, 2019, receivable in monthly instalments of $31,611, including principal and interest	7,049,253	8,671,996
Less: Portion representing interest at 6.64%	3,005,414	3,824,280
	4,043,839	4,847,716
	4,043,839	6,566,295

5 Properties held for development and Confederation Landing

	2001 $	2000 $
Development Properties		
Land assembly		
Bruce Stewart	195,367	195,367
Master Feeds	-	100,000
Paoli	43,662	43,662
Jaro Holdings	20,888	20,888
CN Car Shop	77,544	77,544
Other	9,796	9,796
	347,257	447,257
CN Lands		
Cost	2,587,932	2,587,932
Less: Write down	336,298	336,298
	2,251,634	2,251,634
Confederation Landing (net of provision of $2,256,195; 2000 - $2,067,760)	1	188,436
	2,598,892	2,887,327

6 Administered project

The Corporation is responsible for administering the Virtual Charlottetown project within the Smart Communities initiative, a three-year federal program created and administered by Industry Canada. This project is financed by federal grants and by the program participants. Grants that have been received and not expended are included in the Corporation's accounts payable as follows:

	$
Grants received	195,772
Costs incurred	(52)
Included in accounts payable	195,720

The $195,720 is included in cash and cash equivalents at March 31, 2001 and is held in trust for the Virtual Charlottetown project.

7 Term demand loans

The term demand loans bear interest at prime, are unsecured and are repayable upon demand.

8 Long-term debt

	2001 $	2000 $
Debentures, mortgage and non-interest bearing loan		
5.851% debenture, due May 2018, repayable in monthly instalments of $83,094, including principal and interest	10,834,916	11,194,162
6.13% debenture, due November 1, 2014, repayable $104,075 on November 1, 1999, interest only, followed by 180 consecutive monthly instalments of $6,807 including principal and interest	754,764	789,034
7.2% term mortgage, due May 2001, payable in monthly instalments of $43,488 including principal and interest	4,588,711	4,809,183
7.25% mortgage, due February 1, 2005, repayable in monthly instalments of $3,332 including principal and interest	404,403	161,591
Non-interest bearing loan with varying repayment terms	3,361	87,962
11.2% debenture, repaid during the year	-	1,718,579
	16,586,155	18,760,511
Notes payable		
6.64% note payable, due October 1, 2019, repayable in monthly instalments of $31,610 including principal and interest	4,043,839	4,150,769
6.82% note payable, due August 1, 2009, principal and interest to be repaid upon sale of the assets pledged as security	2,678,000	2,678,000
1.5% note payable, repaid during the year	-	2,450,000
	6,721,839	9,278,769
	23,307,994	28,039,280

Security on debentures, mortgages and non-interest bearing loan

The following have been pledged as security for the debentures, mortgages and non-interest bearing loan:

5.851% debenture

- the 5.851% debenture is guaranteed by the Province of Prince Edward Island.

6.13% debenture

- unsecured

7.2% mortgage

The 7.2% mortgage was renewed in May 2001 for a term of five years at a rate of 6.45% with monthly payments of $46,391 including principal and interest.

The following has been pledged as security for the term mortgage:

- a first collateral mortgage on the assets of Harbourside Complex Limited in the amount of $6,500,000;
- a registered general assignment of leases and rents executed by CADC;
- a registered specific assignment of leases executed by Harbourside Complex Limited;
- a registered specific assignment of book debts from CADC and Harbourside Complex Limited;
- an assignment of adequate fire, bank and liability insurance with loss payable firstly to the mortgagor;
- a non-divestiture agreement executed by the principal shareholder of CADC with respect to its controlling interest in CADC; and
- a non-divestiture agreement executed by CADC with respect to its interest in Harbourside Complex Limited.

The 7.2% mortgage has a principal balance due of $5,170,212 at March 31, 2001. The Corporation has deposited $581,501 with the lender as security for the mortgage. The loan is recorded net of the cash security deposited.

7.25% mortgage

The Visitor Information Centre has been pledged as security for the 7.25% mortgage.

Non-interest bearing loan

- The non-interest bearing loan is unsecured.

Security on notes payable

The 6.64% note payable is unsecured.

The following parcels of land included in property held for development have been pledged as security for the 6.82% note payable:

- P.I.D. #825927
- P.I.D. #825935
- P.I.D. # 841502 and P.I.D. # 841510
- P.I.D. #841494
- P.I.D. #841536

The net aggregate amount of principal payments required in each of the next five years to meet retirement provisions for the debentures, mortgages and notes payable is as follows:

	$
Year ending March 31, 2002	772,739
2003	823,996
2004	874,339
2005	930,927
2006	989,554

Interest on long-term debt of $175,093 (2000 - $195,083) is included in excess expenses from rental properties on the consolidated schedule of operating revenue and operating expenses.

9 Deferred credits

			2001	2000
	Cost $	Accumulated Amortization $	Net $	Net $
Peakes Wharf	638,037	166,830	471,207	487,158
Confederation Landing	779,375	779,375	-	64,948
Assets under construction	2,446,328	-	2,446,328	1,945,151
	3,863,740	946,205	2,917,535	2,497,257

10 Contingent liability

The Corporation has been named as a co-defendant in a claim made by a local businessman. It is management's feeling that a liability, if any, is undeterminable at this time and no provision has been made in the accounts for future possible losses.

11 Commitment

The Corporation holds cash of $120,030 (2000 - $119,997), disclosed on the balance sheet, in trust for third parties. The cash and liability are netted on the balance sheet. The deposits are being administered as part of requirements on loans owned by the Corporation and for security deposits for tenants.

12 Appropriated reserve

On March 30, 1999, the Board of Directors established an appropriated reserve in the amount of $750,000 through an appropriation of retained earnings. The appropriated reserve has been established to finance an extensive capital asset maintenance program. During the year, $51,172 (2000 - $294,384) was utilized to fund the current year's capital asset maintenance expense. Cash and cash equivalents of $404,444 at March 31, 2001 (2000 - $455,616) remain appropriated to fund the reserve.

13 Related party transactions

Included in accounts receivable and accrued interest and accounts payable and accrued interest are the following amounts due to and from related parties:

	2001 $	2000 $
Accounts receivable		
Due from Province of Prince Edward Island	1,161,830	3,069,686
Accounts payable		
Due to the City of Charlottetown	24,879	27,038
Due to Province of Prince Edward Island	347,908	854,878

The 6.13% debenture and the 6.82% and 6.64% notes payable are due to the Province of Prince Edward Island. The company expensed $500,872 (2000 - $286,538) in interest on this debt during the year.

The Province of Prince Edward Island is a majority shareholder of The Charlottetown Area Development Corporation and the City of Charlottetown is a minority shareholder.

During the fiscal year ending March 31, 2000 the Corporation sold property to the Province of Prince Edward Island and the City of Charlottetown for $1,000,000 and $500,000, respectively.

14 Corporation status

The Corporation and all of its subsidiaries are non-taxable entities under the provisions of the Income Tax Act.

The stated purpose of the Corporation is to act as the central agency to foster and promote economic development for the City of Charlottetown.

15 Comparative figures

Certain comparative figures presented for the 2001 fiscal year have been restated to conform with the financial statement presentation adopted in the current year.

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

East Prince Health
Financial Statements
March 31, 2001

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Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Members of the Board of
East Prince Health:

We have audited the balance sheet of East Prince Health as at March 31, 2001, and the statements of revenue and expenses, fund balances, cash flows and tangible capital assets for the year then ended. These financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Region as at March 31, 2001, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Summerside, Prince Edward Island

June 8, 2001

Chartered Accountants

P. O. Box 1660
220 Water Street
Summerside
Prince Edward Island
C1N 2V5
Tel: (902) 436-9155
Fax; (902) 436-6913

East Prince Health
Statement of Revenue and Expenses

Year Ended March 31	2001	2000
Revenue		
Department of Health and Social Services (Note 7)	$ 49,610,857	$ 47,005,968
Patient/client fees	1,309,680	1,448,776
Special projects and other (Note 8)	587,633	401,181
Donations - Prince County Hospital Foundation (Note 9)	230,403	353,940
	51,738,573	49,209,865
Expenses		
Hospital services	24,754,891	23,489,091
Child & Family services	10,958,334	10,343,763
Long term care	9,340,696	8,712,035
Addiction services	1,454,316	1,543,825
Home Care	1,473,287	1,299,724
Housing services	1,249,231	1,201,951
Community Development (Note 10)	756,226	1,017,391
Public Health	625,599	649,267
Mental Health	448,478	462,626
Job Creation Program	284,625	258,993
Health Facility Planning	383,888	221,434
Interest on long term debt	9,002	9,765
	51,738,573	49,209,865
Excess of revenue over expenses	$ -	$ -

See accompanying notes to the financial statements.

East Prince Health
Balance Sheet

March 31	2001	2000
Assets		
Current		
Cash - unrestricted	$ 679,391	$ 1,134,537
Cash - restricted (Note 3)	30,307	29,865
Accounts receivable (Note 4)	6,079,926	4,535,347
Prepaid expenses	692,040	170,638
Due from Prince County Hospital Foundation	-	594,165
	7,481,664	6,464,552
Investments in bonds and certificates at cost, estimated market value $210,282 (2000 - $213,146)	200,000	200,000
	$ 7,681,664	$ 6,664,552

	2001	2000
Liabilities		
Current		
Payables and accruals (Note 5)	$ 7,498,756	$ 5,927,131
Funds held in trust	30,307	29,865
Current portion of long term debt	15,759	14,955
	7,544,822	5,971,951
Long term debt (Note 6)	136,760	152,519
	7,681,582	6,124,470
Fund balances		
Appropriated Fund (Page 4)	82	540,082
	$ 7,681,664	$ 6,664,552

On behalf of the Board

______________________ Board Member ______________________ Board Member

See accompanying notes to the financial statements.

East Prince Health
Statement of Fund Balances

March 31		2001		2000
Appropriated Fund				
Fund balance, beginning of year	$	540,082	$	572,155
Capital expenditures		-		(32,073)
Transferred back to Prince County Hospital Foundation		(540,000)		-
Fund balance, end of year	$	82	$	540,082

See accompanying notes to the financial statements.

East Prince Health
Statement of Cash Flows

Year Ended March 31	2001	2000
Increase (decrease) in cash and cash equivalents		
Operations		
Changes in		
Cash - restricted	$ (442)	$ (1,045)
Accounts receivable	(1,544,579)	137,077
Prepaid expenses	(521,402)	(21,583)
Payables and accruals	1,571,625	312,974
Funds held in trust	442	1,045
	(494,356)	428,468
Financing		
Repayment of long term debt	(14,955)	(14,192)
Advance from (to) Prince County Hospital Foundation	594,165	(156,565)
Decrease in appropriated funds	(540,000)	(32,073)
	39,210	(202,830)
Net (decrease) increase in cash and cash equivalents	(455,146)	225,638
Cash and cash equivalents, beginning of year	1,134,537	908,899
Cash and cash equivalents, end of year	$ 679,391	$ 1,134,537

See accompanying notes to the financial statements.

East Prince Health

Statement of Tangible Capital Assets

Year Ended March 31

					2001	2000
	Land	Pavement	Buildings	Equipment	**Total**	Total
Cost of Tangible Capital Assets						
Opening cost	$ 134,310	$ 57,666	$ 6,974,322	$10,517,134	**$ 17,683,432**	$ 17,008,513
Additions				516,090	**516,090**	674,919
Closing cost	134,310	57,666	6,974,322	11,033,224	**18,199,522**	17,683,432
Accumulated Depreciation						
Opening balance		57,666	4,742,265	5,673,914	**10,473,845**	10,065,805
Add: depreciation			84,453	332,138	**416,591**	408,040
Closing balance		57,666	4,826,718	6,006,052	**10,890,436**	10,473,845
Net Carrying Amount of Tangible Capital Assets	$ 134,310	$ NIL	$ 2,147,604	$ 5,027,172	**$ 7,309,086**	$ 7,209,587

See accompanying notes to the financial statements.

East Prince Health
Notes to the Financial Statements

March 31, 2001

1. Nature of operations

East Prince Health, a non-profit organization, operates under the authority of the Health and Community Services Act, Part III (the "Act"). East Prince Health commenced operations on April 5, 1994 when the Health and Community Services Agency (the "Agency") approved the establishment of the regional health authorities as provided under the Act. The Agency Board also approved the core services that must be available and reasonably accessible to all residents of East Prince.

The core services managed by East Prince Health on behalf of residents of East Prince and the Province of P.E.I. are:

Program/Service

- Child and Family Services
- Home Care
- Housing
- Community Mental Health
- Prince County Addiction Services
- Job Creation Program
- Prince County Hospital
- Public Health Nursing
- Stewart Memorial Hospital
- Summerset Manor
- Wedgewood Manor
- Community Development

2. Summary of significant accounting policies

Revenue recognition

East Prince Health follows the deferral method of accounting for grants for special projects. Grants restricted for special projects are recognized as revenue in the year in which the related expenses are incurred. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts.

Financial Support Overpayments

Financial support overpayments are recorded as receivable when identified with a full provision as a doubtful account. Recoveries of financial support overpayments are credited to financial support expenditures when received.

Income from Investments

Income from investments is recorded on a cash basis.

2. Summary of significant accounting policies (cont'd)

Tangible Capital Assets

Tangible capital assets are expensed as a component of program costs in the year of acquisition. During the year, capital asset purchases of $516,090 (2000 - $674,919) were expensed. The Region received designated funding for capital purchases in the amount of $405,831(2000 - $604,500) during the year.

Inventory

Inventory in the amount of $433,581 (2000 - $493,676) has not been reflected on the balance sheet.

Appropriated Fund

East Prince Health received $750,000 ($150,000 per year from 1995 to 1999) from the Prince County Hospital Foundation to fund information technology initiatives. The appropriated fund balance had represented the unexpended portion of these funds. The fund is reduced each year by the amount of capital expenditures relating to information technology. During the year $540,000 was tranferred back to the Prince County Hospital Foundation.

Vacation Pay and Retirement Allowances

Vacation pay is recorded as a liability when earned. Retirement allowances are recorded as a liability when an employee meets the eligibility criteria. Retiring allowances are funded separately from the regular funding received from the Department of Health and Social Services except for Prince County Hospital which is funded on an ongoing basis.

Pension Plans

Employees of East Prince Health belong to different pension plans according to their historical workplace. Former hospital employees and all new employees since regionalization are part of the uniform pension plan for employees of all Prince Edward Island hospitals. All other employees are part of the uniform pension plan of the civil service of Prince Edward Island. The hospital pension plan is a defined benefit pension plan for basic pension contributions and a defined contribution pension plan for supplementary pension contributions. According to the most recent actuarial report dated January 1, 1997 employer contributions to the pension plan are sufficient to meet the requirements of the plan and a pension fund surplus existed at that date. The civil service pension plan is the defined benefit pension plan of the Province of Prince Edward Island. For employees belonging to this plan, the employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of Prince Edward Island. These pension plans are not reflected in these financial statements.

2. Summary of significant accounting policies (cont'd)

General

These financial statements do not include the assets, liabilities and activities of the Prince County Hospital Foundation, Stewart Memorial Hospital Foundation, or the hospitals' auxiliaries.

Other

East Prince Health acts as an agent for the Province of P.E.I. for the collection of revenues. During the year revenue of $2,762,524 (2000 - $2,899,117) was collected from the following areas:

- Long term Care
- Housing Services
- Home Care
- Addiction Services
- Public Health Nursing

Revenues collected are not reflected in the body of the financial statements.

3. Cash-restricted

	2001	2000
Resident Trust Funds	$ 24,912	$ 21,700
Memorial Trust Funds	5,395	8,165
	$ 30,307	$ 29,865

4. Accounts receivable

	2001	2000
Financial Support overpayments	$ 1,265,076	$ 1,283,632
Patients and other	1,116,145	827,801
Department of Health and Social Services	4,960,487	3,710,804
	7,341,708	5,822,237
Less: allowance for doubtful accounts	(1,261,782)	(1,286,890)
	$ 6,079,926	$ 4,535,347

5. Payables and accruals

	2001	2000
Trade	$ 3,171,189	$ 1,677,272
Deferred revenue	628,192	391,845
Accrued salaries and benefits	3,699,375	3,858,014
	$ 7,498,756	$ 5,927,131

6. Long term debt

	2001	2000
Municipal Development Loan Board debenture payable in annual installments of $23,957 including interest at 5 3/8% maturing in 2008.	$ 152,519	$ 167,474
Less: current portion of long term debt	15,759	14,955
	$ 136,760	$ 152,519

Annual principal repayments over the next five years are as follows: 2002 - $15,759; 2003 - $16,606; 2004 - $17,499; 2005 - $18,439; 2006 - $19,430.

Funds are provided annually by the Department of Health and Social Services for the above repayments.

7. Department of Health and Social Services Funding

	2001	2000
Operations	$ 48,854,357	$ 46,220,688
Capital	-	166,074
Health Stabilization Fund	556,500	397,772
Health Facility Planning	200,000	221,434
	$ 49,610,857	$ 47,005,968

8. Special projects and other

During the year, East Prince Health participated in various projects and initiatives, such as the community labor – management partnership project and the rural pallative home care project, whereby funding was provided by project sponsors. The related project expenditures are included in Community Development expenses.

9. Donations – Prince County Hospital Foundation

During the year, East Prince Heath received donations towards the purchase of medical and non-medical equipment in the amount of $318,331 (2000 - $517,000). However, certain equipment acquisitions approved during the year did not occur until subsequent to year end. Accordingly, $87,928 (2000 - $163,060) of donations are included in deferred revenue.

10. Community development

	2001	2000
Grants to non-governmental organizations	$ 737,305	$ 647,500
Evangeline Health Centre	-	225,547
Special projects and other	18,921	144,344
	$ 756,226	$ 1,017,391

EASTERN KINGS HEALTH AUTHORITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2001

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AUDITORS' REPORT

TO THE MEMBERS OF THE EASTERN KINGS HEALTH AUTHORITY

We have audited the balance sheet of Eastern Kings Health Authority as at March 31, 2001 and the statements of revenue and expenditures and income and appropriated equity for the year then ended. These financial statements are the responsibility of the Eastern Kings Health Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of Eastern Kings Health Authority as at March 31, 2001 and the results of its operations and the changes in its equity for the year then ended in accordance with Public Sector Accounting Principles.

CHARTERED ACCOUNTANTS

June 11, 2001
Montague, P.E.I.

EASTERN KINGS HEALTH AUTHORITY

BALANCE SHEET

AS AT MARCH 31, 2001

	2001 $	2000 $
ASSETS		
CURRENT ASSETS		
Cash	675,873	33,345
Short term investments	177,643	639,312
Accounts receivable	320,435	219,339
Due from Eastern Kings Health Foundation Inc.	73,770	90,923
Due from Department of Health and Social Services	320,552	443,225
Prepaid expenses	42,218	33,220
	1,610,491	1,459,364
ASSETS HELD IN TRUST (note 1)	12,542	11,229
APPROPRIATED ASSETS (note 1)	55,155	207,493
	1,678,188	1,678,086
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	812,735	715,120
Accrued vacation pay and retiring allowances (note 1)	769,413	630,129
Reserve for future expenditures (note 4)	28,343	114,115
	1,610,491	1,459,364
ASSETS HELD IN TRUST (note 1)	12,542	11,229
	1,623,033	1,470,593
EQUITY		
APPROPRIATED EQUITY		
Restricted Fund (note 1)	55,155	207,493
	1,678,188	1,678,086

SIGNED ON BEHALF OF THE BOARD

____________________ DIRECTOR

____________________ DIRECTOR

EASTERN KINGS HEALTH AUTHORITY
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
REVENUE		
Department of Health and Social Services	10,973,013	10,191,672
Department of Health and Social Services - Eastern Kings Health Centre	736,670	-
	11,709,683	10,191,672
GENERAL SERVICES - OUT PATIENTS		
Non-residents	29,888	25,400
Workers' Compensation Board	48,310	25,193
Federal	1,347	1,252
Other	7,651	7,495
	87,196	59,340
GENERAL SERVICES - IN PATIENTS		
Federal	12,150	-
Non-residents	23,725	47,229
Workers' Compensation Board	13,365	8,910
Other	810	-
	50,050	56,139
OTHER INCOME		
Recoveries -		
Salaries	53,929	43,772
Dietary	54,442	50,560
Medically discharged - long stay	39,055	64,055
Differential income and preferred accommodation	31,551	52,810
Other	41,196	81,851
Contributions for equipment purchases	96,000	94,405
Rental	14,231	29,527
Investment income	17,282	36,066
	347,686	453,046
TOTAL REVENUE	12,194,615	10,760,197
EXPENDITURES		
Souris Hospital (schedule 1)	3,273,868	3,015,426
Public Health (schedule 1)	253,664	204,279
Addiction Services (schedule 1)	744,578	707,023
Child and Family Services (schedule 1)	2,065,026	2,076,916
Home Care and Support (schedule 1)	769,065	804,729
Housing (schedule 2)	486,758	461,739
Colville Manor (schedule 2)	2,600,741	2,388,687
Job Creation Program (schedule 2)	214,055	227,673
Regional Services (schedule 2)	685,243	585,703
Community Health Centre (schedule 2)	736,670	-
Vacation pay	98,747	29,522
Grants - non-government organizations	266,200	258,500
TOTAL EXPENDITURES	12,194,615	10,760,197
EXCESS REVENUE (EXPENDITURES) FOR THE YEAR	-	-

EASTERN KINGS HEALTH AUTHORITY

STATEMENT OF INCOME AND APPROPRIATED EQUITY

FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
RESTRICTED FUND (note 1)		
INCOME		
Donations	5,328	10,520
Interest	1,420	13,803
Rent	440	345
Contribution from Eastern Kings Health Authority	-	122
	7,188	24,790
EXPENSES		
Contribution to Eastern Kings Health Foundation Inc. (note 3)	157,581	-
Resident activities	1,945	5,316
Contribution to Eastern Kings Health Authority - equipment	-	1,800
	159,526	7,116
EXCESS INCOME (EXPENSES) FOR THE YEAR	(152,338)	17,674
BALANCE - BEGINNING OF YEAR	207,493	189,819
BALANCE - END OF YEAR	55,155	207,493

SCHEDULE 1

EASTERN KINGS HEALTH AUTHORITY
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
SOURIS HOSPITAL		
Administration	71,951	121,206
Materials, supplies and services	585,423	551,461
Salaries	2,477,456	2,212,726
Travel and training	22,162	7,255
Professional and contract services	19,402	22,723
Equipment	97,474	100,055
	3,273,868	3,015,426
PUBLIC HEALTH		
Administration	4,271	3,882
Materials, supplies and services	1,405	1,120
Salaries	238,792	191,020
Travel and training	8,985	6,940
Professional and contract services	76	597
Equipment	135	720
	253,664	204,279
ADDICTION SERVICES		
Administration	13,492	11,964
Materials, supplies and services	16,152	17,666
Salaries	699,103	664,175
Travel and training	5,444	3,056
Professional and contract services	10,387	10,162
	744,578	707,023
CHILD AND FAMILY SERVICES		
Administration	8,989	9,819
Materials, supplies and services	612	420
Salaries	782,451	712,896
Travel and training	52,285	44,807
Financial assistance - social services	1,220,689	1,308,974
	2,065,026	2,076,916
HOME CARE AND SUPPORT		
Administration	4,817	3,823
Materials, supplies and services	3,325	3,809
Salaries	717,099	759,584
Travel and training	42,807	36,507
Professional and contract services	1,017	875
Equipment	-	131
	769,065	804,729

SCHEDULE 2

EASTERN KINGS HEALTH AUTHORITY
SCHEDULE OF EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 2001

	2001 $	2000 $
HOUSING		
Administration	34,187	33,292
Materials, supplies and services	325,433	301,402
Salaries	56,364	69,018
Travel and training	4,513	4,833
Professional and contract services	54,531	42,902
Equipment	8,361	6,942
Grants - home repair assistance	3,369	3,350
	486,758	461,739
COLVILLE MANOR		
Administration	22,246	20,947
Materials, supplies and services	260,419	235,672
Salaries	2,279,977	2,094,671
Travel and training	10,960	9,947
Professional and contract services	19,325	17,290
Equipment	7,814	10,160
	2,600,741	2,388,687
JOB CREATION PROGRAM		
Administration	10,172	1,218
Materials, supplies and services	58	29
Salaries	80,242	81,582
Travel and training	1,852	1,331
Professional and contract services	-	1,865
Grants - wage assistance	121,731	141,648
	214,055	227,673
REGIONAL SERVICES		
Salaries	512,913	407,271
Travel and training	21,862	22,086
Professional and contract services	115,844	111,330
Equipment	34,624	45,016
	685,243	585,703
COMMUNITY HEALTH CENTRE		
Administration	23,306	-
Materials, supplies and services	8,321	-
Salaries	493,534	-
Travel and training	34,971	-
Professional and contract services	122,862	-
Equipment	53,676	-
	736,670	-

EASTERN KINGS HEALTH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

1. A. NATURE OF OPERATIONS

Eastern Kings Health Authority is a non profit organization incorporated under the Health and Community Services Act and is responsible for the management of the following regional programs and services:

Souris Hospital
Colville Manor
Child and Family Services
Addiction Services
Home Care and Support
Housing
Job Creation Program
Public Health
Community Health Centre

Eastern Kings Health Authority acts as an agent for the Province of Prince Edward Island for the collection of revenue through several of its institutions and programs. These revenues are not reflected in these financial statements.

B. RESTRICTED FUND

Specific funds have been formed for the purpose of benefiting the residents of several institutions within the region. These funds are subject to certain restrictions.

The following funds are included in the Restricted Fund on the financial statements:

Colville Manor Equipment Fund
Addiction Services Equipment Fund

C. FINANCIAL SUPPORT OVERPAYMENTS

Financial support overpayments are recorded as receivable when identified with a full provision as a doubtful account. Recoveries of financial support overpayments are recorded as a reduction to financial support expenditures when received.

D. RETIRING ALLOWANCES AND VACATION PAY

Accruals are made for retirement allowances owed to employees as at March 31, 2001. As the liability will be offset by funding provided by the Department of Health and Social Services an account receivable has been recognized for the same amount. Vacation pay is recorded as a liability when earned.

EASTERN KINGS HEALTH AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

E. ACQUIRED PHYSICAL ASSETS

Fixed assets and inventory of supplies and equipment are recorded as expenditures in the year incurred. Had the physical assets of the Souris Hospital been capitalized and recognized as expenditures over their period of economic benefit, Eastern Kings Health Authority would have the following assets recorded:

SOURIS HOSPITAL

		2001			2000
	Rate of Depreciation	Cost	Accumulated Depreciation	Net	Net
		$	$	$	$
Land		56,250	-	56,250	56,250
Building	2.5% S/L	7,851,568	2,224,313	5,627,255	5,823,544
Equipment	6.25% S/L	1,212,572	684,494	528,078	507,864
		9,120,390	2,908,807	6,211,583	6,387,658

The ownership of the assets of the Souris Hospital remain that of Eastern Kings Health Authority.

Inventory at March 31, 2001, valued at the lower of cost and net realizable value, which has not been recorded as an asset totalled $142,529 (2000 - $175,468).

F. ASSETS HELD IN TRUST

Colville Manor provides safekeeping for residents' monies. These funds are held in bank accounts and Province of Prince Edward Island deposit receipts.

2. PENSIONS

Employees within the Eastern Kings Health Authority belong to one of two pension plans.

Regional employees from the former hospital system belong to a uniform pension plan for employees of all Prince Edward Island Hospitals. According to the most recent actuarial report dated January 1, 2000, the contributions under the pension plan have been sufficient to meet the requirements of the plan and a pension fund surplus existed at that date.

Regional employees from the provincial government system belong to a pension plan for all permanent full time employees of the Province of Prince Edward Island. According to the most recent actuarial report dated April 1, 1996, contributions under the pension plan have not been sufficient to meet the requirements of the plan and an unfunded liability of $69,900,000 existed at that date.

3. EASTERN KINGS HEALTH FOUNDATION INC.

Eastern Kings Health Authority (The Authority) has an economic beneficial interest in Eastern Kings Health Foundation Inc. (formerly Souris Hospital Foundation Inc.) The primary purpose of the Foundation is to raise funds for the benefit of the Community of Eastern Kings. As the Authority does not exercise control or significant influence over the Foundation, its activities have not been consolidated within these financial statements except to the extent of actual contributions received during the year.

During 1997 the Authority transferred $145,000 from Unappropriated Equity to a Restricted Fund for the benefit of the Eastern Kings Health Foundation Inc. (formerly Souris Hospital Foundation Inc.) This transfer reflects a return of the $145,000 in funding that was raised by the community of Eastern Kings and donated to the cost of constructing the Souris Hospital. During the year this amount plus accumulated interest of $12,581 was transferred to the Foundation.

4. RESERVE FOR FUTURE EXPENDITURES

The reserve consists of funds set in reserve for future expenditures and consists of the following:

	$
Capital repairs/equipment	14,746
Teen Parenting Program	350
Miscellaneous Equipment	2,411
Disability Support Services Fund	3,000
Targeted Support Fund	2,052
Population Heart Health	5,784
	28,343

EASTERN SCHOOL DISTRICT

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2000

MACPHEE & MACAULAY

CHARTERED ACCOUNTANTS

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MACPHEE & MACAULAY

CHARTERED ACCOUNTANTS, P.O. BOX 70, MONTAGUE, P.E.I. C0A 1R0
TEL.: (902) 838-4121 FAX: (902) 838-4862

AUDITORS' REPORT

To the Board of School Trustees of
Eastern School District

We have audited the balance sheets of Eastern School District as at June 30, 2000, and the statements of revenue and expenses, operating surplus (deficit) and capital surplus for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Eastern School District as at June 30, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

CHARTERED ACCOUNTANTS

November 28, 2000
Montague, Prince Edward Island

EASTERN SCHOOL DISTRICT
BALANCE SHEET
AS AT JUNE 30, 2000

	2000 $	1999 $
Assets		
Current		
Cash	2,883,986	1,257,606
Accounts receivable	349,122	262,857
Receivable from Department of Education (note 7)	-	3,146,205
	3,233,108	4,666,668
Capital		
Cash	2,000	2,000
Fixed assets (notes 2 and 3)	86,881,739	80,610,103
	86,883,739	80,612,103
	90,116,847	85,278,771
Liabilities and surplus		
Payables and accruals		
General	3,897,816	721,470
Teacher Workforce Renewal Program (note 7)	-	3,146,205
Department of Education	74,608	579,735
Due to trust account	23,618	27,109
Reserve for future expenditures (note 4)	186,248	180,330
	4,182,290	4,654,849
Operating surplus (deficit)	(949,182)	11,819
	3,233,108	4,666,668
Capital		
Capital surplus	86,883,739	80,612,103
	90,116,847	85,278,771

SIGNED ON BEHALF OF THE BOARD

________________________ CHAIRPERSON

________________________ SECRETARY

EASTERN SCHOOL DISTRICT
TRUST FUNDS
BALANCE SHEET
AS AT JUNE 30, 2000

	2000 $	1999 $
Assets		
Due from general accounts	23,618	27,109
Term deposits	27,629	25,648
Deposits with provincial government	2,200	2,200
	53,447	54,957
Liability		
Trust fund liability	53,447	54,957

SIGNED ON BEHALF OF THE BOARD

______________________ CHAIRPERSON

______________________ SECRETARY

EASTERN SCHOOL DISTRICT
TRUST FUNDS
STATEMENT OF REVENUE, EXPENSES AND SURPLUS
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Revenue		
Albert MacLaren Memorial Bursary	57	53
Daniel Mooney and Family Memorial Bursary	168	173
Darcy Underhay Memorial Bursary	121	118
Darren Martin Memorial Bursary	242	251
Don MacIsaac Memorial Bursary	187	5,137
Dr. Percy Lavers Memorial Bursary	801	800
Ida Mary MacBeth Memorial Bursary	23	30
James A. Gordon Memorial Bursary	80	80
Merlin Chapman Memorial Trust	174	204
Miscellaneous	73	128
Paul I Kingsbury Science Scholarship	111	125
Robert and Elizabeth Fraser Trust	48	44
	2,085	7,143
Expenses		
Albert MacLaren Memorial Bursary	25	50
Daniel Mooney and Family Memorial Bursary	300	300
Darren Martin Memorial Bursary	500	500
Dr. Percy Lavers Memorial Bursary	600	1,500
Ida Mary MacBeth Memorial Bursary	220	200
James A. Gordon Memorial Bursary	25	50
Merlin Chapman Memorial Trust	1,000	1,000
Miscellaneous	425	425
Paul I Kingsbury Science Scholarship	500	500
	3,595	4,525
Excess of revenue over expenses	(1,510)	2,618
Trust assets, beginning of year	54,957	52,339
Trust assets, end of year	53,447	54,957

EASTERN SCHOOL DISTRICT
STATEMENT OF CAPITAL SURPLUS
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Capital surplus, beginning of year	80,612,103	77,963,233
Add:		
School building renovations and major projects	7,710,316	4,802,308
Furniture and equipment	1,193,712	229,000
Buses and van	610,420	575,978
	90,126,551	83,570,519
Deduct:		
Depreciation	3,242,812	2,958,416
Capital surplus, end of year	86,883,739	80,612,103

EASTERN SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND OPERATING SURPLUS (DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Revenue		
Administration	544,797	595,192
Bus purchases	610,420	557,777
Instructional	1,153,619	1,081,191
Other revenue (note 5)	227,432	258,607
Projects sponsored by other sources (note 6)	334,091	275,929
Renovations and equipment	545,900	588,000
Salaries and benefits	68,465,557	65,462,566
School building renovations and major projects	8,904,828	4,802,308
School maintenance and operation	3,313,105	3,229,524
School raised funds	139,197	115,792
Teacher Workforce Renewal Program	508,692	3,146,205
Transportation	1,236,273	1,217,900
Unfunded depreciation	3,242,812	2,958,416
	89,226,723	84,289,407
Expenses		
Administration (page 7)	1,043,167	928,103
Capital		
Bus replacement	610,420	557,777
Special capital projects	8,904,828	4,802,308
Instructional (page 8)	1,107,046	1,099,463
Projects sponsored by other sources (note 6)	336,968	278,084
Renovations and equipment (page 12)	1,053,878	841,220
Salaries and benefits (page 9)	68,105,704	65,129,662
School maintenance and operation (page 10)	6,396,078	5,538,045
Teacher Workforce Renewal Program	508,692	3,146,205
Transportation (page 11)	2,120,943	1,956,721
	90,187,724	84,277,588
EXCESS REVENUE (EXPENSES) FOR THE YEAR	(961,001)	11,819
Operating surplus (deficit), beginning of year	11,819	(219,776)
Deficit reduction grant	-	219,776
Excess revenue (expenses) for the year	(961,001)	11,819
Operating surplus (deficit), end of year	(949,182)	11,819

EASTERN SCHOOL DISTRICT
SCHEDULE OF ADMINISTRATION EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Advertising	12,263	15,075
Bank charges	66	(296)
Courier service	20,793	20,099
Development plan	113,894	54,695
Employee training and development	84,245	82,219
Graduation	9,851	15,233
Insurance	96,673	94,406
Meetings	21,752	22,494
Miscellaneous	7,339	10,165
Office supplies	88,449	74,381
Photocopying	12,925	16,027
Postal services	26,291	30,658
Professional services	150,029	133,159
Public, staff and student relations	14,642	9,895
Telephone	201,829	177,217
Travel	115,414	110,466
Trustees remuneration	35,845	31,972
Trustee travel and other	30,867	30,238
	1,043,167	928,103

EASTERN SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	2000	1999
	$	$
Academic supplies	143,793	158,077
Art	28,020	28,277
Career exploration		
Advanced communications	9,826	12,637
Automotive technology	7,899	10,543
Business and information	1,903	10,830
Child care	1,851	1,085
Communications and the arts	12,353	15,104
Construction and manufacturing	38,999	30,068
Drafting/design technology	-	569
Fashion	34	659
Food service	2,167	4,340
People and service industry	3,198	3,476
Computer literacy	16,550	21,092
Duplicating supplies	268,721	276,168
English and language arts	6,034	4,826
Equipment maintenance and repairs	45,739	59,070
French	2,345	3,188
Guidance and resource	8,519	7,908
Home economics and family living	24,797	19,549
Industrial arts	59,210	51,171
Library and resource centres	103,974	134,238
Music	21,463	19,983
Miscellaneous	94,512	44,318
Physical education	75,987	72,888
Psychologists	3,229	3,794
Science	35,345	25,685
Special education	14,366	12,334
Special projects	19,033	9,956
Vocational education		
Carpentry	10,043	9,457
Motor vehicle repair	19,687	30,281
Welding	27,400	17,798
Other vocational and prevocational courses	49	94
	1,107,046	1,099,463

EASTERN SCHOOL DISTRICT
SCHEDULE OF SALARIES AND BENEFITS EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Board instructional salaries	481,641	479,548
Board supervisory salaries	626,067	602,130
Instructional salaries	47,227,163	44,104,055
Maintenance and operation salaries	3,562,661	3,428,801
School administrative salaries	6,547,434	7,201,447
Secretarial and clerical	2,400,465	2,295,934
Teacher assistant salaries	3,314,589	3,128,541
Transportation salaries	3,945,684	3,889,206
	68,105,704	65,129,662

NOTE:

Board instructional salaries include consultants, psychologists and board based temporary assignments.

Board supervisory salaries include superintendent, directors, maintenance supervisor and transportation supervisor.

Instructional salaries include all teaching staff exclusive of board supervisory, board instructional, board temporary and school administrative.

Maintenance and operation salaries include custodial, cleaning and maintenance staff.

School administrative salaries include principals, vice-principals and department heads.

Secretarial and clerical salaries include board office secretarial and clerical and school based secretarial staff.

Teacher assistant salaries include all teacher assistant positions.

Transportation salaries include bus depot and bus driver staff.

EASTERN SCHOOL DISTRICT
SCHEDULE OF SCHOOL MAINTENANCE AND OPERATION EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	2000	1999
	$	$
Annual cleaning	17,246	21,879
Building repairs	620,675	622,073
Electricity	1,096,025	1,048,120
Employee allowances	2,767	3,221
Equipment repairs	53,393	54,750
Fire dues	35,053	34,014
Freight	4,303	1,149
Fuel	1,025,415	637,882
Insurance	99,835	102,102
Janitorial supplies	230,414	195,615
Maintenance of grounds	76,954	62,631
Miscellaneous	11,944	3,568
Non-capital equipment	21,885	13,257
Playground repairs	34,507	18,580
Property taxes	-	15,086
Rentals	25,432	28,732
Service contracts	27,165	8,893
Service vehicle	8,623	9,104
Sewer and water	105,992	100,071
Snow removal	117,815	128,272
Waste disposal	80,398	74,047
	3,695,841	3,183,046
Depreciation		
School buildings	2,081,124	1,936,786
Furniture and equipment	619,113	418,213
	6,396,078	5,538,045

EASTERN SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Bus parts and supplies	706,109	565,653
Communications	16,598	23,970
Contracted services	193,742	195,220
Employee allowances	14,457	13,076
Equipment repairs and maintenance	10,657	3,608
Extra-curricular transportation	37,251	33,894
Fuel	496,495	434,547
Insurance	47,879	50,754
Miscellaneous	16,228	10,682
Non-capital equipment	14,683	7,847
Service vehicle	1,794	169
Snow removal	9,481	9,575
Supplies	12,994	4,309
	1,578,368	1,353,304
Depreciation		
Buses	542,575	603,417
	2,120,943	1,956,721

EASTERN SCHOOL DISTRICT
SCHEDULE OF RENOVATIONS AND EQUIPMENT
FOR THE YEAR ENDED JUNE 30, 2000

	2000 $	1999 $
Audio-visual equipment	22,826	15,385
Building repairs and renovations	529,543	234,581
Classroom furniture and equipment	106,105	54,351
Communications equipment	68,908	243,097
Computer equipment	123,064	81,184
Drapes	-	49,571
Fuel storage tanks	38,620	6,082
Lab equipment	3,183	1,332
Miscellaneous equipment	44,283	47,153
Musical instruments	51,876	49,058
Office furniture and equipment	30,544	26,720
Paving and grounds maintenance	34,926	32,706
	1,053,878	841,220

1. Nature Of Organization

The Eastern School District is a not-for-profit organization whose purpose is to provide quality education for the children in its district. The District is governed under the terms of the Prince Edward Island School Act and is managed by a Board of School Trustees.

2. Significant Accounting Policies

A. Fixed Assets

Land, buildings, furniture and equipment are recorded at values carried in the accounts of the former School Boards as at June 30, 1972, with subsequent additions at cost. Buses are recorded at cost.

Commencing on July 1, 1995 the policy for capitalization of buildings and equipment was changed such that only purchases which exceed $25,000 are capitalized in the Capital Fund. The capital expenditures and related capital grants continue to be reported on the Statement of Revenue, Expenses and Operating Surplus (Deficit). Schools constructed and renovated by the Prince Edward Island Department of Public Works and school buses purchased by the Provincial Government are recorded as fixed assets in the capital fund when title is passed.

Depreciation is calculated as follows:

Item	Method	Rate	Annual
Buildings	Declining Balance		2 1\2%
Equipment	Declining Balance		20%
School Buses	Straight Line		12%
Used School Buses	Straight Line		24%

B. The financial statements have been prepared in accordance with accounting policies adopted by the Prince Edward Island School Boards. These policies conform in all material respects with generally accepted accounting principles with the following exceptions:

(i) Bus parts inventory and classroom supplies on hand at June 30, 2000 have not been reflected on the balance sheet. All such parts and supplies are expensed when purchased.

(ii) Revenue and expenditures associated with pension contributions, deferred salaries and retirement allowances are not recognized until they become due and payable except as disclosed in note 7.

C. Pension Plans

Instructional employees of the District are members of defined benefit pension plans of the Province of Prince Edward Island. The expense of the District is limited to current year contributions as any shortfall in funding of the pension plans is the responsibility of the Province of Prince Edward Island. In addition, the Province of Prince Edward Island provides an annual grant to fund the District's portion of contributions to the pension plan.

2. Significant Accounting Policies (cont'd)

D. Accrued Vacation Pay

No liability, except as disclosed in note 7, has been recorded in these financial statements for accrued but unpaid vacation pay and service gratuities. As a result of regular staff retirement for the current year, service gratuities of $402,809 were due at June 30, 2000. The District receives direct funding from the Province of Prince Edward Island on an annual basis to cover such costs.

E. Trust Funds

Trust funds and interest earned by the funds are disbursed under the terms provided by the contributors.

3. Fixed Assets

	2000			1999
	Cost	Accumulated Depreciation	Net	Net
	$	$	$	$
Land	1,000,931	-	1,000,931	1,000,931
Buildings	112,845,057	31,681,221	81,163,836	75,534,644
Furniture and equipment	16,285,378	13,808,927	2,476,451	1,901,852
Buses	10,480,144	8,239,623	2,240,521	2,172,676
	140,611,510	53,729,771	86,881,739	80,610,103

4. Reserve For Future Expenditures

	2000	1999
	$	$
Minority and Second Language Program Purchases	-	10,373
Other	32,976	65,962
School program purchases	90,542	41,265
School bus purchases	62,730	62,730
	186,248	180,330

5. Other Revenue

	2000	1999
	$	$
Cafeteria earnings	6,214	47,790
Investment income	47,216	41,678
Rentals	172,655	166,544
Sundry	1,347	2,595
	227,432	258,607

6. Projects Sponsored By Other Sources

For the year ended June 30, 2000 the Revenue and Expenses for Projects Sponsored By Other Sources consisted of the following:

	Revenue $	Expenses $
Employment Enhancement	7,243	7,243
Graduation is for Teens (G.I.F.T.)	43,500	43,500
Job Futures	59,993	62,746
Labour Market Outreach	48,562	48,562
MRHS Publishing Job Creation Initiatives	30,672	30,672
Teacher Mentoring	124,432	124,432
Technology	19,689	19,813
	334,091	336,968

7. Teacher Workforce Renewal Program

A payable for the amount owing to employees who elected to take an early retirement package offered by the Department of Education has been recorded in 1999 together with a corresponding receivable from the Department of Education.

8. Comparative Figures

Certain of figures on the 1999 financial statements have be reclassified to conform to the financial statement presentation for the year ended June 30, 2000.

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

French Language School Board
Financial Statements
June 30, 2000

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Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member Firm of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Board of School Trustees of
French Language School Board

We have audited the operating and capital fund balance sheets of French Language School Board as at June 30, 2000 and the statements of revenue, expenses and operating surplus and changes in investment in capital assets for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied by Prince Edward Island School Boards.

Summerside, Prince Edward Island

December 6, 2000 Chartered Accountants

P. O. Box 1660
220 Water Street
Summerside
Prince Edward Island
C1N 2V5
Tel: (902) 436-9155
Fax: (902) 436-6913

French Language School Board
Statements of Revenue, Expense and Operating Surplus

Year Ended June 30	2000	1999
Revenue		
Grants		
Administration	$ 115,900	$ 124,661
Capital additions	21,600	67,679
Maintenance and operation	224,563	225,702
Program	35,700	38,200
Salaries and benefits	3,318,124	3,069,017
Transportation	50,800	50,800
Other revenue (Note 3)	179,097	218,267
Unfunded depreciation on property and equipment	132,849	131,317
	4,078,633	3,925,643
Expenses		
Administration (page 9)	172,543	164,893
Capital additions	-	36,000
Maintenance and operation (page 10)	164,231	166,643
Minority program (page 11)	51,889	38,910
Non-capital equipment (page 12)	46,936	108,413
Program (page 13)	34,548	35,162
Salaries and benefits (page 14)	3,416,742	3,191,613
Transportation (page 15)	58,079	49,064
Unfunded depreciation on property and equipment	132,849	131,317
	4,077,817	3,922,015
Excess of revenue over expenses	$ 816	$ 3,628

Operating surplus, beginning of year	$ 60,579	$ 56,951
Excess of revenue over expenses	816	3,628
Operating surplus, end of year	$ 61,395	$ 60,579

See accompanying notes to the financial statements.

French Language School Board
Balance Sheet - Operating Fund

June 30	2000	1999
Assets		
Current		
Cash and short term deposits	$ 25,361	$ 283,127
Receivables	99,972	106,753
	$ 125,333	$ 389,880
Liabilities		
Payables and accruals		
General	$ 16,340	$ 82,852
Salaries and benefits	11,353	4,597
Province of Prince Edward Island (Note 4)	24,582	197,945
Deferred items (Note 5)	11,663	43,907
	63,938	329,301
Surplus		
Operating surplus	61,395	60,579
	$ 125,333	$ 389,880

Approved on behalf of the Board

____________________ Board Chairman

____________________ Board Secretary

See accompanying notes to the financial statements.

French Language School Board
Balance Sheet - Capital Fund

June 30	2000	1999
Assets		
Property and equipment (Note 6)	$ 3,842,294	$ 3,909,300
Liabilities		
Long term debt (Note 7)	$ 1,286	$ 6,035
Equity		
Investment in capital assets (page 5)	3,841,008	3,903,265
	$ 3,842,294	$ 3,909,300

Approved on behalf of the Board

________________________ Board Chairman

________________________ Board Secretary

See accompanying notes to the financial statements.

French Language School Board
Statement of Changes in Investment in Capital Assets

Year Ended June 30	2000	1999
Balance, beginning of year	$ 3,903,265	$ 3,994,352
Add:		
Purchase of:		
Buildings and improvements	-	36,000
Buses	65,844	-
Debt retirement out of current funds	4,748	4,230
	3,973,857	4,034,582
Deduct:		
Depreciation		
Buildings	92,564	94,938
Furniture and equipment	11,445	13,465
Buses	28,840	22,914
	132,849	131,317
Balance, end of year	$ 3,841,008	$ 3,903,265

See accompanying notes to the financial statements

French Language School Board
Notes to the Financial Statements
Year Ended June 30, 2000

1. Nature of operations

The Board operates as a not-for-profit organization that provides for primary and secondary education requirements for people within their jurisdiction.

2. Summary of significant accounting policies

Property and equipment

Property and equipment are recorded at values carried in the accounts of the former School Boards as at June 30, 1972, with subsequent additions at cost. Buses are recorded at cost.

Only those purchases which exceed $25,000 are capitalized in the Capital Fund. The total capital expenditures and related capital grants are reported on the Statement of Revenue, Expenses and Operating Surplus.

Schools constructed and renovated by the Prince Edward Island Department of Public Works and buses purchased by the Provincial Government are recorded as property and equipment in the capital fund when title is passed.

Depreciation

Depreciation is calculated on the diminishing balance basis for buildings at a rate of 2 1/2% per annum and for furniture and equipment at 15% per annum. Depreciation is calculated on the straight line basis for buses at 12% per annum.

Unfunded depreciation on property and equipment

Unfunded depreciation on property and equipment is a revenue amount offsetting depreciation expense. The Department of Education does not fund depreciation on a current basis.

Commitments

Included in payables and accruals are outstanding commitments totalling $581 (1999 - $7,261). These amounts relate to the current year school budget for goods and services to be received or provided subsequent to year end.

Deferred revenue

The unexpended portion of grants received for specific purchases and programs are deferred and used for the related future purchases and programs.

2. Summary of significant accounting policies (cont'd)

Pension plans

Instructional employees of the Board are members of defined benefit pension plans of the Province of Prince Edward Island. The expense of the Board is limited to current year contributions as any shortfall in funding of the pension plan is the responsibility of the Province of Prince Edward Island. Non-instructional employees are members of a defined benefit / defined contribution pension plan. The expense of the Board is limited to a matching contribution equal to the employee's portion. In addition, the Province of Prince Edward Island provides grants to fund the Board's portion of contributions to the pension plan.

Vacation pay and service gratuities

No liability has been recorded in these financial statements for accrued but unpaid vacation pay and service gratuities. The Board receives direct funding from the Province of P.E.I. on an annual basis to cover such costs.

3. **Other revenue**	2000	1999
Grant - French monitor program	$ 72,004	$ 60,854
Grant - Alternative Education	19,000	15,000
Grant - Modular	27,336	41,422
Grant - Inservice	1,200	1,200
Interest and other	5,077	7,907
Recoverable salaries	26,337	4,750
Rentals	10,789	18,787
Sale of assets	2,354	19,347
Technology position	15,000	49,000
	$ 179,097	$ 218,267

4. **Province of Prince Edward Island**	2000	1999
Salaries and benefits	$ 24,582	$ 197,945

5. Deferred Items

	2000	1999
Funds designated for		
Partners in Education	$ 5,000	$ 25,000
Transportation	2,107	2,069
Inclusion project	3,384	5,300
Legal fees	-	8,000
Student services	1,172	3,538
	$ 11,663	$ 43,907

6. Property and equipment

	Cost	Accumulated Depreciation	2000 Net Book Value	1999 Net Book Value
Land	$ 32,276		$ 32,276	$ 32,276
Buildings and improvements	5,157,355	$ 1,547,353	3,610,002	3,702,566
Furniture and equipment	644,529	579,673	64,856	76,302
Buses	425,266	290,106	135,160	98,156
	$ 6,259,426	$ 2,417,132	$ 3,842,294	$ 3,909,300

7. Long term debt

	2000	1999
Conditional sales contract		
12.3% Conditional sales contract	$ 1,286	$ 6,035

Annual principal payment required in the next year is as follows: 2001-$1,286.

French Language School Board

Schedule of Administration Expense

Year Ended June 30	2000	1999
Advertising	$ 6,594	$ 5,278
Board member remuneration	33,985	30,036
Board member travel and other	24,394	14,147
Miscellaneous	2,795	5,468
Office supplies	10,064	9,829
Postal services and expenses	4,801	3,980
Professional services	18,039	40,055
Public and staff relations	2,197	1,455
Service contracts	16,994	17,532
Special education	4,606	2,263
Telephone	17,096	17,725
Travel	30,978	17,125
	$ 172,543	$ 164,893

French Language School Board
Schedule of Maintenance and Operation Expense

Year Ended June 30	2000	1999
Annual cleaning	$ 1,037	$ 1,012
Building repairs	21,579	25,360
Electricity	47,129	51,155
Equipment repairs	2,990	4,163
Fuel	32,128	24,890
Garbage, water and sewage	9,889	10,204
Insurance	8,060	8,060
Janitorial supplies	19,594	20,951
Maintenance and grounds	11,846	12,051
Miscellaneous	538	558
Service contract	4,741	4,441
Snow removal	4,700	3,798
	$ 164,231	$ 166,643

French Language School Board
Schedule of Minority Program Expense

Year Ended June 30	2000	1999
French library	$ 10,291	$ 868
Cultural activities	2,691	4,118
Inclusion project	5,300	-
Travel	5,724	3,306
Miscellaneous	73	618
Modular program	27,810	30,000
	$ 51,889	$ 38,910

French Language School Board
Schedule of Non-capital Equipment

Year Ended June 30	2000	1999
Building renovations	$ 13,467	$ 14,526
Classroom/program furniture	6,137	4,974
Computer equipment - admin.	2,185	18,543
Computer equipment - school	3,808	59,796
Computer equipment - program	-	1,061
Audio visual equipment	3,778	32
Musical equipment	1,020	1,114
Office/admin. furniture	675	260
Paving	8,478	7,627
Physical education equipment	3,273	67
Plant equipment	4,115	413
	$ 46,936	$ 108,413

French Language School Board
Schedule of Program Expense

Year Ended June 30	2000	1999
Academic supplies	$ 5,483	$ 6,782
A V equipment	464	90
Computer	1,970	1,348
Cultural activities	2,785	1,590
Miscellaneous	2,240	3,446
Music	695	844
Industrial arts	3,774	3,325
Library	2,340	2,438
Photocopying	8,330	9,921
Physical education	4,105	4,442
Science	2,362	936
	$ 34,548	$ 35,162

French Language School Board
Schedule of Salaries and Benefits Expense

Year Ended June 30	2000	1999
Board supervisory	$ 136,329	$ 134,595
Secretarial and clerical	116,205	111,693
Administrative positions	382,708	387,924
Teachers	2,229,024	2,052,386
Teacher assistants	128,974	137,242
Maintenance and operation	180,308	175,034
Transportation	175,112	145,028
Federally funded	45,530	30,203
Provincially funded	17,346	5,796
Professional development	5,206	11,712
	$ 3,416,742	$ 3,191,613

Note:

Board supervisory salaries include superintendent and business supervisor.

Secretarial and clerical salaries include board office secretarial and school secretarial staff.

Administrative positions salaries include principals, vice-principals, and consultants.

Teachers' salaries include all teaching staff excluding those listed above.

Maintenance and operations salaries include janitorial staff.

Transportation salaries include bus driver staff.

Federally funded salaries include the salaries for the French Monitor Program.

French Language School Board
Schedule of Transportation Expenses

Year Ended June 30	2000	1999
Repairs	$ 31,389	$ 19,599
Employee allowances	1,990	355
Extracurricular	1,810	5,040
Gas and oil	20,537	21,196
Insurance	1,491	2,147
Miscellaneous	357	727
Snow removal	505	-
	$ 58,079	$ 49,064

PRICEWATERHOUSECOOPERS

Innovative Solutions Agency (PEI) Inc.

Financial Statements
March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone (902)368-3100
Facsimile (902)566-5074

May 11, 2001

Auditors' Report

To the Shareholders of
Innovative Solutions Agency (PEI) Inc.

We have audited the balance sheet of **Innovative Solutions Agency (PEI) Inc.** as at March 31, 2001 and the statements of earnings, retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers refers to the Canadian firm of PricewaterhouseCoopers LLP and other members of the worldwide PricewaterhouseCoopers organization.

Innovative Solutions Agency (PEI) Inc.

Balance Sheet

As at March 31, 2001

	2001 $	2000 $
Assets		
Current assets		
Cash and term deposit	443,035	1,518,501
Accounts receivable (note 3)	5,835	272,323
	448,870	1,790,824
Capital assets (note 4)	15,978	25,070
Development costs (note 5)	-	470,267
Other asset (note 6)	1	-
	464,849	2,286,161
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	55,423	1,714,339
Deferred revenue (note 5)	123,638	208,154
	179,061	1,922,493
Shareholder's Equity		
Capital stock		
Authorized		
Unlimited common shares of no par value		
Issued and fully paid		
One common share	1	1
Retained earnings	285,787	363,667
	285,788	363,668
	464,849	2,286,161

Approved by the Board of Directors

______________________ Director ______________________ Director

Innovative Solutions Agency (PEI) Inc.

Statement of Retained Earnings

For the year ended March 31, 2001

	2001 $	2000 $
Retained earnings – Beginning of year	363,667	7,337
Net earnings (loss) for the year	(77,880)	356,330
Retained earnings – End of year	285,787	363,667

Innovative Solutions Agency (PEI) Inc.

Statement of Earnings

For the year ended March 31, 2001

	2001 $	2000 $
Revenues		
Veterans Affairs Canada (Knowledge Economy Partnership)	15,000	330,000
Consulting fees	-	43,450
Management fees	24,178	122,623
Interest revenue	46,835	89,959
	86,013	586,032
Expenses		
Compensation	117,026	158,726
Facilities	-	1,435
Fees, subscriptions and conferences	1,566	3,356
Insurance	3,000	1,866
Interest and bank charges	240	246
Marketing	1,000	2,173
Office supplies	1,876	5,437
Postage and courier	269	703
Professional services	14,770	16,012
Repairs and maintenance	-	772
Travel	11,467	16,115
Utilities	1,731	10,515
Training	1,368	-
Amortization	9,580	11,387
	163,893	228,743
Net earnings (loss) from operations	(77,880)	357,289
Other revenues (expenses)		
CAP personal portal system (Schedule I)	-	(959)
Alliance initiative – PeopleSoft (Schedule II)	-	-
Gartner agreement (Schedule III)	-	-
	-	(959)
Net earnings (loss) for the year	(77,880)	356,330

Innovative Solutions Agency (PEI) Inc.

Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Net earnings (loss) for the year	(77,880)	356,330
Item not affecting working capital		
Amortization of capital assets	9,580	11,387
	(68,300)	367,717
Net change in non-cash working capital items		
- decrease in accounts receivable	266,488	998,627
- decrease in accounts payable and accrued liabilities	(1,658,916)	(206,625)
- decrease in deferred revenue	(84,516)	(424,846)
	(1,545,244)	734,873
Investing activities		
Purchase of capital assets	(488)	(24,850)
Purchase of other asset	(1)	-
Increase in development costs	-	(1,733,386)
Proceeds on disposal of development costs	470,267	2,441,497
	469,778	683,261
Change in cash	(1,075,466)	1,418,134
Cash – Beginning of year	1,518,501	100,367
Cash – End of year	443,035	1,518,501
Cash consists of		
Cash	70,480	24,388
Term deposit	372,555	1,494,113
	443,035	1,518,501

Innovative Solutions Agency (PEI) Inc.

Schedules to the Financial Statements

For the year ended March 31, 2001 **Schedule I**

	2001 $	2000 $
CAP Personal Portal System		
Revenue		
Industry Canada	-	771,495
PEI Business Development Inc.	10,000	-
	10,000	771,495
Expenses		
Advertising and promotion	-	143,272
CAP site services	-	211,559
Computer hardware	-	16,426
Computer licenses	-	(81,518)
Computer software	9,493	-
Consulting	112	348,270
ITAS services	-	104,232
Office and meetings	395	2,788
Postage and courier	-	22,837
Travel	-	4,588
	10,000	772,454
Net earnings (loss) for the year	-	(959)

Innovative Solutions Agency (PEI) Inc.

Schedules to the Financial Statements

For the year ended March 31, 2001 **Schedule II**

	2001 $	2000 $
Alliance Initiative - PeopleSoft		
Income		
Veterans Affairs Canada	51,516	51,516
Public Service Commission	222,243	-
	273,759	51,516
Expenses		
Maintenance	174,090	51,516
Consulting	71,116	-
Wages	23,645	-
Office	4,908	-
	273,759	51,516
Net earnings for the year	-	-

Innovative Solutions Agency (PEI) Inc.

Schedules to the Financial Statements

For the year ended March 31, 2001 **Schedule III**

	2001 $	2000 $
Gartner Agreement		
Revenue		
Veterans Affairs Canada	48,750	25,823
Technology PEI	48,750	40,450
	97,500	66,273
Expenses		
Management fees	1,066	6,953
Research services	96,434	59,320
	97,500	66,273
Net earnings for the year	-	-

1 Description of entity

Innovative Solutions Agency (PEI) Inc. is a federally incorporated company under the Canadian Business Corporation Act. The Innovative Solutions Agency (PEI) Inc.'s goal is to match partnered public sector clients with innovative information technology solutions, and to broker and facilitate information technology services between various public sector entities. Under Section 125 of the Constitution of Canada Act, land and property of a provincial government or agency is deemed to be exempt from corporate income tax under Section 149(1)(d) of the *Income Tax Act*.

2 Summary of significant accounting policies

Capital assets and amortization

Capital assets are recorded at cost and amortized using the declining balance method at the following rates:

Furniture and fixtures	20%
Computer hardware	30%
Computer software	100%

Amortization is calculated at one-half the normal rate in the year of acquisition, no amortization is recorded in the year of disposal.

Development costs

Development costs are recorded at cost net of reimbursement from third parties.

3 Accounts receivable

	2001 $	2000 $
Veterans Affairs Canada	-	100,000
Public Service Commission	-	-
PEI Business Development Inc.	-	108,973
Other	5,835	63,350
	5,835	272,323

4 Capital assets

	2001			2000
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**	**Net** **$**
Furniture and fixtures	2,774	689	2,085	2,058
Computer hardware	25,627	11,734	13,893	19,847
Computer software	10,378	10,378	-	3,165
	38,779	22,801	15,978	25,070

5 Development costs

The Alliance Initiative is an alliance between Veterans Affairs Canada and the Province of Prince Edward Island to implement a new human resources system. The development costs consist of costs incurred and capitalized up to March 31, 2000 for licenses, implementation and training of PeopleSoft Human Resources for the Public Sector database system. The noted agreement called for Veterans Affairs Canada to share the costs of implementing the system over a five year period. During the year, Veterans Affairs Canada has withdrawn from the Initiative; however they have contributed previously committed amounts to cover the maintenance contract. Included in deferred revenue is $123,638 (2000 - $175,154) to cover this commitment over the next four years.

As of March 31, 2000, the ownership of the operating license rights and computer hardware for the Province's Human Resource Management System (PeopleSoft) were transferred to the PEI Public Service Commission.

The balance in development costs includes nil (2000- $470,267) of license rights relating to the Health Sector. The ownership of the license rights were transferred to the P.E.I. Public Service Commission in fiscal year 2001 when the Health Sector implemented the Province's Human Resource Management System.

6 Other asset

During the year, Veterans Affairs Canada relinquished and transferred all their rights and interest of the PeopleSoft Human Resources System to Innovative Solutions Agency (PEI) Inc. for the sum of $1.

7 Economic dependence

Innovative Solutions Agency (PEI) Inc. is reliant upon revenues generated from the Province of Prince Edward Island, the Government of Canada and their related departments.

8 Related party transactions

Balance sheet

Included in accounts payable and accrued liabilities is $15,131 (2000 - $1,063,220) due to the Province of Prince Edward Island, a related party. The payable is a result of the transfer of computer hardware and operating license rights, and the retirement of debt associated with the Province's Human Resource Management System.

Also included in accounts payable and accrued liabilities is $13,348 (2000 – nil) to the Public Service Commission, and $23,069 (2000 – nil) to Technology PEI.

Statement of earnings

Included in management fees is nil (2000 - $40,870) from PEI Public Service Commission, $23,000 (2000 - $66,975) from PEI Business Development Inc. and nil (2000 - $4,900) from Technology PEI. Included in compensation is $21,697 (2000 – nil) paid to Technology PEI.

The above transactions were recorded in the normal course of operations and measured on the same terms as transactions with unrelated parties.

PRICEWATERHOUSECOOPERS

Island Investment Development Inc.

Consolidated Financial Statements
March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone +1 (902) 368 3100
Facsimile +1 (902) 566 5074

June 29, 2001

Auditors' Report

To the Board of Directors of
Island Investment Development Inc.

We have audited the consolidated balance sheet of **Island Investment Development Inc.** as at March 31, 2001 and the consolidated statements of earnings, deficit and cash flows for the year then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Island Investment Development Inc.

Consolidated Balance Sheet

As at March 31, 2001

	2001 $	2000 $
Assets		
Current assets		
Cash and short-term investments (quoted market value - $12,071,259; 2000 - $12,182,823)	12,027,017	12,219,578
Accounts receivable	1,613,428	2,422,591
Accrued interest receivable (note 7)	686,101	1,522,266
Current portion of notes receivable	-	13,000,000
	14,326,546	29,164,435
Funds held in trust (note 3)	557,865	-
Accrued interest receivable	233,150	133,150
Advance to escrow agent (note 7)	10,050,000	12,950,000
Notes receivable, less current portion (note 4)	48,922,000	41,518,400
Deferred financing costs (note 5)	2,393,591	2,810,673
	76,483,152	86,576,658
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 7)	3,581,543	4,375,495
Current portion of long-term debt	-	17,750,000
	3,581,543	22,125,495
Funds held in trust (note 3)	557,865	-
Long-term debt, less current portion (note 6)	72,411,441	64,710,731
	76,550,849	86,836,226
Deficit	67,697	259,568
	76,483,152	86,576,658

Approved by the Board of Directors

______________________ Director ______________________ Director

PRICEWATERHOUSECOOPERS

Island Investment Development Inc.

Consolidated Statement of Deficit

For the year ended March 31, 2001

	2001 $	2000 $
Deficit – Beginning of year	(259,568)	(276,986)
Net earnings for the year	191,871	17,418
Deficit – End of year	(67,697)	(259,568)

Island Investment Development Inc.

Consolidated Statement of Earnings

For the year ended March 31, 2001

	2001 $	2000 $
Revenue		
Investment income (note 7)	3,590,826	3,389,910
Expenses		
Wages	64,435	47,796
Management fees (note 7)	150,000	150,000
Interest and bank charges (note 8)	33,410	238,543
Interest on long-term debt	1,222,228	1,333,702
Professional fees	22,613	26,974
Office	12,708	13,103
Equipment	13,338	5,630
Provision for possible losses	831,400	271,600
Consulting fees	90,041	135,447
Travel	29,498	70,333
Grant – PEI Trade and Development Inc.	35,000	-
Amortization	894,284	1,079,364
	3,398,955	3,372,492
Net earnings for the year	191,871	17,418

Island Investment Development Inc.

Consolidated Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided for (used in)		
Operating activities		
Net earnings for the year	191,871	17,418
Item not affecting cash		
Amortization	894,284	1,079,364
Provision for possible losses	831,400	271,600
	1,917,555	1,368,382
Net change in non-cash working capital items		
– decrease (increase) in accounts receivable	809,163	(461,377)
– decrease in accrued interest receivable	736,165	374,757
– increase (decrease) in accounts payable and accrued liabilities	(793,952)	452,881
	751,376	366,261
	2,668,931	1,734,643
Investing activities		
Decrease in notes receivable	4,765,000	2,830,000
Increase in deferred financing costs	(477,202)	(1,164,596)
	4,287,798	1,665,404
Financing activities		
Decrease (increase) in advance to escrow agent	2,900,000	(150,000)
Decrease (increase) in long-term debt – net	(10,049,290)	3,460,731
Decrease in sinking funds administered	-	(1,384,415)
	(7,149,290)	1,926,316
Change in cash and short-term investments	(192,561)	5,326,363
Cash and short-term investments – Beginning of year	12,219,578	6,893,215
Cash and short-term investments – End of year	12,027,017	12,219,578

1 Basis of presentation

Consolidation

These financial statements include the operations of Island Investment Development Inc. and its six wholly-owned subsidiaries, Prince Edward Island Government Economic Development Fund Inc., Prince Edward Island Government Economic Development Fund (No. II) Inc., Prince Edward Island Government Economic Development Fund (No. III) Inc., Prince Edward Island Government Economic Development Fund (No. IV) Inc., Prince Edward Island Government Economic Development Fund (No. V) Inc., and Prince Edward Island Century 2000 Fund Inc.

Corporate status

The company is a crown corporation established under the provisions of the Island Investment Development Inc. Act (formerly the Enterprise P.E.I. Act) and is therefore a non-taxable entity under the provisions of the *Income Tax Act*.

The company is the corporate administrator of government-administered venture capital funds in the Province of Prince Edward Island with its purpose to invest in active business operations. The investments are made in typically new or expanding companies, and as such, there is a significant degree of credit risk. Credit risk is defined as the risk that the note holder will fail to discharge an obligation in whole or in part resulting in a financial loss to this company.

2 Summary of significant accounting policies

Short-term investments

Short-term investments are recorded at cost.

Notes receivable

The notes receivable are recorded at cost with interest recorded on an accrual basis. When there is an identifiable long-term permanent decline in value, the investments will be written down to their estimated fair value. Any write downs or losses on disposal will be recorded in the year they occur.

Fair value of financial instruments

Fair value is subjective in nature requiring a variety of valuation techniques and assumptions. The company's financial instruments are not exchangeable and it is difficult, and often not practical, to determine their fair value. Where it is possible to estimate fair value, we assume that we will not sell the assets or the liabilities, taking into account only changes in credit risk as credit risk is the main cause of change in the fair value of our financial instruments.

Provision for possible losses

Any increase (decrease) in the provision for possible losses on the notes receivable is recorded in the statement of earnings.

Specific provision

A provision will be recorded for specific loans to reduce their book value to an amount expected to be recovered from the loans in the event of an impairment in value. A variety of methods are used to determine the amount expected to be recovered from impaired loans including estimated future cash flows and the estimated fair value of the underlying security and value of any collateral security taken. The specific provision at March 31, 2001 is $1,100,000 (2000 – nil) on identified impaired loans of $1,950,000 (2000 – nil).

General provision

A general provision is recorded for notes receivable on the basis that not all of the impairment in the notes receivable can be specifically identified. The general provision of $2,003,000 (2000 - $2,271,600) is based on past performance of similar loans, the level of the specific provision, management's judgement and the maturity and financial strength of the investee.

Capital assets

It is the company's policy to expense items of furniture and equipment in the year in which they are acquired.

Deferred financing costs

The costs incurred in obtaining financing have been capitalized and are being amortized using the straight-line basis over sixty months, commencing when projects have been approved and loans to borrowers drawn down.

Escrow agreement

Escrow Agent

Under the terms of an escrow agreement, subscription funds tendered by investors in Prince Edward Island Government Economic Development Fund (No. II) Inc. (Fund II), Prince Edward Island Government Economic Development Fund (No. III) Inc. (Fund III), Prince Edward Island Government Economic Development Fund (No. IV) Inc., (Fund IV) and Prince Edward Island Government Economic Development Fund (No. V) Inc. (Fund V) are held in trust by the escrow agent, Corporate Services Ltd., until the commencement date or until the funds are returned to the investor in the event that the investor's subscription has not been accepted.

Disbursement of Subscription Proceeds Fund II and Fund III

For Fund II and Fund III and for the first 4.1 units subscribed for in Fund IV, the escrow agent shall disburse the subscription proceeds at the commencement date as follows:

- advance 70% of subscription proceeds to Island Investment Development Inc. to be invested in approved projects;
- advance 10% of subscription proceeds to Island Investment Development Inc. to be deposited into the operating account to cover offering costs and placement expenses; and
- establish a repayment account by investing 20% of the subscription proceeds in high yield secure investments as a contingency for repayment of rejected investors.

The terms of agreements between this company, Fund II, Fund III and for the first 4.1 units of Fund IV, result in all interest earned in the escrow accounts being the property of Island Investment Development Inc. The offering costs and placement expenses are assumed by Island Investment Development Inc. under the terms of these same agreements.

Disbursement of Subscription Proceeds Fund IV and Fund V

For all subscription proceeds of Fund IV and Fund V, except for the first 4.1 units in Fund IV, as described above, the escrow agent shall disburse the subscription proceeds at the commencement date as follows:

- advance 70% of subscription proceeds to Fund IV and Fund V to be invested in approved projects;
- advance 10% of subscription proceeds to Fund IV and Fund V to pay to Island Investment Development Inc. for offering memorandum costs and placement fees;
- establish a repayment account by investing 20% of the subscription proceeds in high yield secure instruments as a contingency for repayment of rejected investors.

Bond premiums

Bond premiums are amortized to income over the life of the bonds.

Interest on long-term debt

Interest expense on the notes payable is accrued from the date of the closing. Interest paid to refunded investors is calculated from the date funds are deposited by the escrow agent.

Management estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

3 Funds held in trust

The company is holding in trust cash and short-term investments of $557,865 (2000 – nil) on behalf of two investors that had notes receivable from Fund II, which came due during the year. The funds are being held by Island Investment Development Inc. until such time as the investors request payment. All interest earned on the funds held in trust accrue to the benefit of the investors.

4 Notes receivable

	2001 $	2000 $
4% note receivable, due June 25, 2002. Interest receivable quarterly beginning December 31, 1997	1,225,000	1,225,000
4% note receivable, due June 30, 2002, with interest receivable annually on October 31	2,000,000	2,000,000
2.2% note receivable, due July 15, 2002, including principal and interest	4,025,000	4,025,000
3.6% note receivable, due $11,000,000 August 21, 2002 and $5,000,000 January 28, 2003, interest receivable annually	16,000,000	16,000,000
4% note receivable, due July 13, 2003, with interest receivable quarterly beginning September 30, 1998	1,570,000	1,570,000
4% note receivable, due November 30, 2003, including principal and interest	2,500,000	2,500,000
4% note receivable, due September 30, 2003, with interest receivable quarterly beginning December 31, 1998	650,000	650,000
4% note receivable, due November 6, 2003, with interest receivable quarterly beginning March 31, 1999	950,000	950,000
4% note receivable, due December 10, 2003, with interest receivable quarterly beginning March 31, 1999	2,200,000	2,200,000
4% note receivable, due March 18, 2004, with interest receivable quarterly beginning June 30, 1999	5,500,000	5,500,000
4% note receivable, due March 30, 2004, with interest receivable quarterly beginning June 30, 1999	2,000,000	2,000,000
4% note receivable, due September 30, 2004, with interest receivable quarterly beginning December 31, 1999	650,000	650,000
4% note receivable, due September 13, 2004, with interest receivable quarterly beginning December 31, 1999	2,000,000	2,000,000
4% note receivable, due February 10, 2005, with interest receivable quarterly beginning March 31, 2000	1,470,000	1,470,000
4% note receivable, due March 23, 2005, with interest receivable quarterly beginning June 30, 2000	1,050,000	1,050,000
4% note receivable, due April 12, 2005, with interest receivable quarterly, beginning June 30, 2000	2,100,000	-
4% note receivable, due May 9, 2005, with interest receivable quarterly, beginning June 30, 2000	2,560,000	-
4% note receivable, due August 4, 2005, with interest receivable quarterly, beginning September 30, 2000	525,000	-
4% note receivable, due December 1, 2005, with interest receivable quarterly, beginning December 31, 2000	350,000	-
4% note receivable, due December 1, 2005, with interest receivable quarterly, beginning December 31, 2000	1,400,000	-
4% note receivable, due December 22, 2005, with interest receivable quarterly, beginning December 31, 2000	1,300,000	-
4% note receivable, repaid during the year	-	4,000,000
2.3% note receivable, repaid during the year	-	6,500,000
3% note receivable, repaid during the year	-	2,500,000
	52,025,000	56,790,000
Less: Allowance for possible losses	3,103,000	2,271,600
	48,922,000	54,518,400
Less: Current portion	-	13,000,000
	48,922,000	41,518,400

The notes receivable are invested in the following business sectors:

	2001				2000
	Total **$**	**Specific Provision** **$**	**General Provision** **$**	**Net** **$**	**Net** **$**
Manufacturing and processing	26,850,000	1,100,000	996,000	24,754,000	33,312,000
Agriculture	5,355,000	-	214,200	5,140,800	2,683,200
Small business	19,820,000	-	792,800	19,027,200	18,523,200
	52,025,000	1,100,000	2,003,000	48,922,000	54,518,400

5 Deferred financing costs

	2001			2000
	Cost **$**	**Accumulated Amortization** **$**	**Net** **$**	**Net** **$**
Island Fund II				
Escrow fees	18,150	18,150	-	-
Offering memorandum costs	220,598	220,598	-	-
Placement fees	1,665,000	1,665,000	-	-
	1,903,748	1,903,748	-	-
Island Fund III				
Escrow fees	17,550	17,550	-	2,670
Offering memorandum costs	124,326	124,326	-	-
Placement fees	1,575,000	1,575,000	-	205,000
	1,716,876	1,716,876	-	207,670
Island Fund IV				
Escrow fees	21,300	10,740	10,560	11,820
Offering memorandum costs	246,508	163,766	82,742	129,147
Placement fees	2,418,375	1,063,687	1,354,688	1,644,624
	2,686,183,	1,238,193	1,447,990	1,785,591
Island Fund V				
Escrow fees	17,100	5,760	11,340	9,360
Offering memorandum costs	73,029	29,031	43,998	57,698
Placement fees	1,134,375	244,112	890,263	750,354
	1,224,504	278,903	945,601	817,412
	7,531,311	5,137,720	2,393,591	2,810,673

6 Long-term debt

	2001 $	2000 $
2% notes payable, nominally dated August 13, 1997, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,500,000	2,500,000
2% notes payable, nominally dated August 21, 1997, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	15,000,000	15,000,000
2% notes payable, nominally dated August 24, 1997, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,500,000	1,500,000
2% notes payable, nominally dated November 18, 1997, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	5,250,000	5,500,000
2% notes payable, nominally dated January 28, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,250,000	2,250,000
2% notes payable, nominally dated January 28, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,250,000	2,500,000
1% notes payable, nominally dated January 28, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,000,000	1,000,000
1% notes payable, nominally dated July 13, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,250,000	2,250,000
1% notes payable, nominally dated September 30, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	750,000	750,000
1% notes payable, nominally dated November 6, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,250,000	1,250,000
1% notes payable, nominally dated November 30, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	3,750,000	3,750,000
1% notes payable, nominally dated December 10, 1998, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	3,000,000	3,000,000
1% notes payable, nominally dated March 18, 1999, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	7,500,000	8,000,000
1% notes payable, nominally dated March 30, 1999, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	3,000,000	3,000,000
1% notes payable, nominally dated September 13, 1999, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	3,000,000	3,000,000

1% notes payable, nominally dated September 30, 1999, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,000,000	1,000,000
1% notes payable, nominally dated February 10, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,750,000	2,000,000
1% notes payable, nominally dated March 23, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,000,000	1,000,000
1% notes payable, commencement date to be determined	500,000	4,750,000
Non-interest bearing notes payable, nominally dated with dates ranging from January 1, 2000 to April 12, 2001, repayable in full in five years pursuant to the federally administered Immigrant Investor Program	2,911,441	710,731
1% notes payable, nominally dated April 12, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,750,000	-
1% notes payable, nominally dated May 9, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	3,750,000	-
1% notes payable, nominally dated August 4, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	750,000	-
1% notes payable, nominally dated December 1, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	500,000	-
1% notes payable, nominally dated December 1, 2000, principal and interest repayable in full in five years pursuant to the Offering Memorandum and Immigrant Investor Regulations	2,000,000	-
1% notes payable, commencement date to be determined, principal and interest repayable in full in five years from the commencement date pursuant to the Offering Memorandum and Immigrant Investor Regulations	1,250,000	-
2% notes payable, repaid during the year	-	3,500,000
2% notes payable, repaid during the year	-	5,750,000
2% notes payable, repaid during the year	-	1,250,000
2% notes payable, repaid during the year	-	4,250,000
2% notes payable, repaid during the year	-	3,000,000
	72,411,441	82,460,731
Less: current portion	-	17,750,000
	72,411,441	64,710,731

The Province of Prince Edward Island has provided a guarantee of the non-interest bearing notes payable to the Minister of Citizenship and Immigration (Agent) in the event of the failure of Prince Edward Island Century 2000 Fund Inc. to repay the notes payable to the Agent within 30 days following the end of the allocation period.

The principal payments due on the non-interest bearing notes payable over the net five years are as follows:

	$
Year ending March 31, 2002	-
2003	-
2004	-
2005	507,665
2006	2,268,132

7 Related party transactions

Included in accounts receivable is $1,603,477 (2000 - $2,305,211) due from Corporate Services Ltd.

Included in accounts payable and accrued liabilities is $23,792 (2000 – nil) due to Prince Edward Island Business Development Inc.

The company has paid $150,000 (2000 - $150,000) in management fees to Prince Edward Island Business Development Inc.

Interest income of $31,865 (2000 - $23,753) was earned on advances to a related company, Corporate Services Ltd.

The advances to escrow agent are to Corporate Services Ltd., a wholly-owned subsidiary of a Crown corporation of the Province of Prince Edward Island. Prince Edward Island Business Development Inc. and Island Investment Development Inc. are both Crown corporations of the Province of Prince Edward Island.

8 Financing Agreement

A third party has provided financing to certain investors for a portion of the $250,000 note loaned by each investor to Island Funds IV and V. The third party charges interest to the investors beginning on the commencement date, being the date the funds are invested by Island Funds IV and V in a qualified project. In those circumstances whereby financing has been provided to the investors prior to the commencement date, Island Funds IV and V have agreed to pay interest on these amounts at an annual rate of interest ranging from 7% to 7.77%. Included in interest and bank charges for the year is $32,226 (2000 - $238,492) in interest paid to the third party on these advances.

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Island Waste Management Corporation
Financial Statements
March 31, 2001

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Auditors' Report

To the Board of Directors of
Island Waste Management Corporation

We have audited the statement of financial position of Island Waste Management Corporation as at March 31, 2001 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2001 and the results of its operations and changes in its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Charlottetown
Prince Edward Island
August 29, 2001

Chartered Accountants

P.O. Box 187
Suite 501
199 Grafton Street
Charlottetown
Prince Edward Island
C1A 7K4
Tel: (902) 892-6547
Fax: (902) 566-5358

Island Waste Management Corporation
Statements of Operations and Deficit

Year Ended March 31	2001	2000*
Revenues		
Household user fees	$ 2,015,201	$ 1,415,706
Tippage fees (Note 10)	2,992,577	14,216
Tire baling	432,258	229,190
Other	48,956	647,828
	5,488,992	2,306,940
Expenditures		
Administration (Page 10)	854,227	592,796
Operational costs		
Collection (Page 11)	1,450,181	938,172
Disposal (Pages 12 and 13)	3,426,639	779,936
Tire baling (Page 14)	339,907	94,134
Special Projects	133,947	9,523
	6,204,901	2,414,561
Excess expenditures over revenues	$ (715,909)	$ (107,621)

Surplus, beginning of year	$ 238,329	$ -
Surplus transferred from Island Waste Management Commission	-	345,950
Excess expenditures over revenues	(715,909)	(107,621)
(Deficit) surplus, end of year	$ (477,580)	$ 238,329

* ten month period

See accompanying notes to the financial statements.

Island Waste Management Corporation
Statement of Financial Position

March 31	2001	2000
Assets		
Current		
Cash and cash equivalents	$ -	$ 148,854
Receivables (Note 3)	872,839	1,212,091
Prepaid expenses	2,372	-
Inventory	45,897	10,753
	921,108	1,371,698
Receivables	104,746	104,029
Capital assets and projects under development (Note 4)	1,382,132	218,254
	$ 2,407,986	$ 1,693,981
Liabilities		
Current		
Bank indebtedness (Note 5)	$ 530,986	$ -
Payables and accruals	447,322	90,637
Deferred revenue	10,476	16,147
Current portion of long term debt	39,747	44,773
Capital lease principal payable within one year	61,190	56,351
	1,089,721	207,908
Contractor deposits	45,000	77,500
Long term debt (Note 6)	1,710,201	1,068,411
Leases payable (Note 7)	40,644	101,833
	2,885,566	1,455,652
(Deficit) surplus	(477,580)	238,329
	$ 2,407,986	$ 1,693,981

Commitments (Note 8)

On behalf of the Board

____________________ Director ____________________ Director

See accompanying notes to the financial statements.

Island Waste Management Corporation
Statement of Cash Flows

Year Ended March 31	2001	2000*
Increase (decrease) in cash and cash equivalents		
Operating		
Cash received from customers	$ 5,574,463	$ 1,126,442
Cash payments to suppliers	(4,849,048)	(447,317)
Cash payments to employees	(1,036,118)	(740,475)
Interest paid	(37,428)	(36,970)
	(348,131)	(98,320)
Financing		
Proceeds from new long term debt	862,530	87,500
Repayment of long term debt	(38,265)	(21,378)
Repayment of capital lease obligations	(56,351)	(205,340)
Contractor deposits (returned) received	(32,500)	7,500
Operating grants	187,500	496,359
	922,914	364,641
Investing		
Interest capitalized to capital assets	(5,020)	-
Purchase of capital assets	(1,249,603)	(179,516)
	(1,254,623)	(179,516)
Net (decrease) increase in cash and cash equivalents	(679,840)	86,805
(Bank indebtedness) net of cash and cash equivalents		
Beginning of year	148,854	62,049
End of year	$ (530,986)	$ 148,854

* ten month period

See accompanying notes to the financial statements

Island Waste Management Corporation
Notes to the Financial Statements
March 31, 2001

1. Nature of operations

The company is a Crown corporation established under the provisions of the Environmental Protection Act and therefore is exempt from income taxes under Section 149(l)(d) of the Canadian Income Tax Act. The company's objective is to implement and manage a province-wide waste management system. This includes the collection and disposal of all solid waste generated in Prince Edward Island.

2. Summary of significant accounting policies

Inventory
Inventory is valued at the lower of cost and net realizable value

Cash and cash equivalents
Cash and cash equivalents include cash on hand, balances with banks and short term investments with maturity dates of 90 days or less.

Depreciation
Rates and bases of depreciation applied to write-off the cost of equipment and leaseholds over their estimated lives are as follows:

Machinery	30%, declining balance
Office equipment	20%, declining balance
Computer equipment	30%, declining balance
Computer software	30%, declining balance
Leasehold improvements	3 yrs, straight line
Signage	20%, declining balance

The compost facility and the landfill cell have not been depreciated as they are not yet available for use.

3. **Receivables**	2001	2000
Trade	$ 454,251	$ 450,002
Province of Prince Edward Island		
Household user fees	81,337	398,098
Operating grants	-	187,500
Other	123,475	142,913
Goods and services tax	213,776	33,578
	$ 872,839	$ 1,212,091

4. Capital assets and projects under development

			2001	2000
	Cost	Accumulated Depreciation	**Net Book Value**	Net Book Value
Capital assets				
Building	$ 11,331	$ 283	**$ 11,048**	$ -
Containers	29,564	1,478	**28,086**	-
Machinery	234,637	70,416	**164,221**	129,758
Office equipment	38,797	11,618	**27,179**	27,797
Computer equipment	77,812	31,204	**46,608**	53,209
Computer software	66,532	10,926	**55,606**	5,409
Leasehold improvements	1,854	876	**978**	1,596
Signage	3,246	413	**2,833**	485
	463,773	127,214	**336,559**	218,254
Projects under development				
Compost Facility	309,723	-	**309,723**	-
Landfill Cell	735,850	-	**735,850**	-
	1,045,573	-	**1,045,573**	-
	$ 1,509,346	$ 127,214	**$ 1,382,132**	$ 218,254

5. Bank Indebtedness

The corporation has an operating line of credit of $450,000 of which $373,765 is used at year end.

The corporation also has a line of credit of $500,000 of which $304,709 is used at year end. As security, the Province of Prince Edward Island has provided a guarantee and the company has assigned book debts.

6. Long term debt

	2001	2000
Prime term loan, maturing December 2001, payable in monthly instalments of principal and interest of $4,000. As security the corporation has assigned funds for baling tires from the Department of Transportation and Public Works, certain equipment and an assignment of book debts. It is anticipated the loan will be renewed upon maturity.	$ 140,257	$ 66,122
Advance on prime term loan to be drawn upon up to $1.9 million limit. Terms are to be settled upon completion of cell construction (Note 8), and loan is expected to be amortized over 10 years. Loan is guaranteed by the Province of Prince Edward Island until February 28, 2002.	750,129	-
Loan from Province of PEI, non-interest bearing, no set terms of repayment	859,562	1,047,062
	1,749,948	1,113,184
Less: current portion	39,747	44,773
	$ 1,710,201	$ 1,068,411

Annual principal repayments in each of the next four years are due as follows: 2002 - $39,747; 2003 - $42,515; 2004 - $45,475; 2005 - $12,520. Principal repayments have not been calculated on the advance of the term loan.

7. Capital lease obligation

Future minimum lease payments on capital leases of compost containers, garbage containers, kitchen counter containers and transponder tags for garbage and compost containers as at March 31, 2001 are as follows:

2002	$ 67,466
2003	35,467
2004	7,073
	110,006
Amount representing interest	8,172
	101,834
Principal due within one year	61,190
	$ 40,644

8. Commitments

The Corporation is committed to the construction of a new landfill cell in Wellington, PEI. To date, the costs capitalized to this project are $735,850 including $5,020 of capitalized interest. Estimated costs to complete are $1.2 million. The project is financed by a $1.9 million term loan of which $750,129 has been drawn to date. Upon completion, an amount will be accrued for future site restoration costs.

There are $309,723 of development costs capitalized to date towards the construction of a new compost facility and the purchase of waste and compost carts. Total estimated cost of the project is $28 million dollars, including $7 million dollars for purchase of the carts. As of year end, construction has not commenced.

The corporation has entered into agreements to lease office and storage space. Minimum rent payable for the next two years on these leases are as follows:

2002	$ 25,200
2003	25,200

The corporation has three years remaining on an agreement to lease a compost turner and screener. Minimum lease payments are as follows:

2002	$ 92,482
2003	50,976
2004	48,103

9. Credit risk

The company is exposed to financial risk that arises from the credit quality of the entities to which it provides services. Credit risk arises from the possibility that the entities to which the company provides services may experience financial difficulty and be unable to fulfil their obligations.

Before engaging in providing services to clients, the company performs a credit risk evaluation and regularly monitors its accounts.

10. Other matters

Prior to March 31, 2000 the Corporation acted as an agent for the Province of Prince Edward Island for the collection of tippage fees and payments associated with the collection of these fees. Revenues and expenditures relating to these collections and payments are netted and recorded in these financial statements for the 2000 fiscal year. As of April 1, 2000, Island Waste Management Corporation was responsible for paying the expenses of this program from the tippage fees collected.

Future costs associated with the closure and decommissioning of provincial dump sites are the responsibility of the Province of Prince Edward Island.

11. Comparative figures

Certain of the 2000 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2001.

Island Waste Management Corporation
Schedule of Expenditures – Administration

Year Ended March 31			2001	2000*
	Charlottetown	Slemon Park	Total	Total
Communication, promotion and education	$ 6,167	$ 11,151	**$ 17,318**	$ 14,124
Depreciation	18,280	17,106	**35,386**	20,782
Dues and memberships	1,500	720	**2,220**	1,921
Interest and bank charges	9,916	12,786	**22,702**	12,408
Miscellaneous	2,884	1,155	**4,039**	14,826
Office equipment	2,296	769	**3,065**	2,344
Office supplies	9,059	9,552	**18,611**	14,741
Professional fees	27,143	16,680	**43,823**	16,101
Rent	23,795	17,522	**41,317**	27,249
Repairs and maintenance	4,638	3,272	**7,910**	4,776
Salaries and management	374,104	216,652	**590,756**	421,536
Telephone	15,058	14,333	**29,391**	19,243
Travel	13,176	18,978	**32,154**	20,889
Utilities	5,535	-	**5,535**	1,856
	$ 513,551	$ 340,676	**$ 854,227**	$ 592,796

* ten month period

Island Waste Management Corporation
Schedule of Expenditures – Collection

Year Ended March 31	2001	2000*
Advertising	$ 47,310	$ 301
Cart purchases	46,033	32,777
Cart storage	5,896	4,930
Fuel price escalation	6,038	1,056
Leases - carts	73,024	147,226
Recyclable collection contracts	458,118	91,134
Tippage on residential waste and compost	275,322	221,608
Waste and compost contracts	538,440	439,140
	$ 1,450,181	$ 938,172

* ten month period

Island Waste Management Corporation
Schedule of Expenditures – Disposal

Year Ended March 31	2001	2000*
Wellington		
Depreciation	$ 2,224	$ -
Dues and fees	888	-
Equipment rental	9,382	35,639
Equipment leases	145,768	127,427
Gas and oil	30,290	18,629
Hazardous waste	17,980	18,542
Leachate treatment	128,256	109,114
Other	6,241	1,624
Repairs and maintenance	99,314	76,198
Salaries and wages	186,695	170,315
Security	7,596	5,904
Supplies and materials	48,355	57,182
Telephone	2,683	4,329
Travel and conference	4,989	6,618
Utilities	8,729	5,522
	$ 699,390	$ 637,043
Scale operations		
Inspection and quality control	$ 29,660	$ -
Other	827	45
Repairs and maintenance	18,759	14,257
Salaries and wages	119,806	103,992
Supplies	1,445	2,419
Telephone	2,893	3,004
Travel	3,007	2,407
	$ 176,397	$ 126,124
Sleepy Hollow		
Community fees	$ 50,116	$ -
Contract services	90,509	-
Equipment rental	54,045	-
Hazardous waste	5,494	-
Other	893	-
Repairs and maintenance	16,119	-
Security	247	-
Signage	898	-
Supplies	442	-
Utilities	250	-
	$ 219,013	$ -

* ten month period

Island Waste Management Corporation
Schedule of Expenditures – Disposal

Year Ended March 31	2001	2000*
Energy from Waste		
Contaminated material	$ 18,810	$ 16,769
Trigen contract	1,665,444	-
	$ 1,684,254	$ 16,769
Other Sites		
Advertising	$ 3,346	$ -
Container sites	213,200	-
Other	3,963	-
Property taxes	26	-
Rent	2,000	-
Repairs and maintenance	403,860	-
Security	792	-
Supplies	4,399	-
Telephone	48	-
Utilities	7,316	-
	$ 638,950	$ -
Fly Ash Disposal	$ 914	$ -
Scrap Metal Disposal	$ 7,721	$ -
Total	$ 3,426,639	$ 779,936

* ten month period

Island Waste Management Corporation
Schedule of Expenditures – Tire Baling

Year Ended March 31	2001	2000*
Depreciation	$ 50,666	$ 18,537
Equipment rental	95,472	-
Fuel	7,287	3,137
Interest on term loan	9,735	2,522
Repairs and maintenance	19,260	10,194
Supplies and wire	14,532	12,724
Trailer rental	4,094	2,388
Wages	138,861	44,632
	$ 339,907	$ 94,134

* ten month period

PRINCE EDWARD ISLAND

AGRICULTURAL INSURANCE CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Agricultural Insurance Corporation

I have examined the balance sheet of the Prince Edward Island Agricultural Insurance Corporation as at March 31, 2001 and the statements of revenue, expenses and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
June 18, 2001

STATEMENT 1

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
BALANCE SHEET
AS AT MARCH 31, 2001

	CIP	BRRP	ADIP	AIDA	CFIP	NMCP	SPIP	SPVRP	TOTAL 2001	TOTAL 2000
ASSETS:										
Cash	$ 636,743	$120,979	$ -	$499,044	$ -	$ -	$ -	$ -	$1,256,766	$1,316,576
Term Deposits	6,383,882	87,087	-	-	-	-	-	-	6,470,969	6,082,690
Accrued Interest	82,466	-	-	-	-	-	-	-	82,466	100,447
Accounts Receivable										
- General	2,886	307	-	-	-	-	-	-	3,193	1,234
- Producer	24,007	-	31,828	107,766	-	-	-	-	163,601	188,168
- Province of PEI	-	-	-	70,796	139,289	186	-	264	210,535	30,898
- Federal Government	39,927	-	-	139,421	222,705	278	516,109	237,098	1,155,538	966,241
	$7,169,911	$208,373	$31,828	$817,027	$361,994	$464	$516,109	$237,362	$9,343,068	$8,686,254
LIABILITIES:										
Overdraft	$ -	$ -	$37,386	$ -	$347,722	$464	$ -	$ 264	$ 385,836	$ 851,783
Accounts Payable										
- General	1,073	-	-	-	-	-	-	-	1,073	4,561
- Province of PEI	16,393	-	-	127,339	14,272	-	516,109	237,098	911,211	150,255
Indemnities Payable	362,692	-	-	627,891	-	-	-	-	990,583	597,234
Advanced Federal Contributions	-	-	-	53,231	-	-	-	-	53,231	-
Unearned Income	906		-	-	-	-	-	-	906	2,405
	381,064	-	37,386	808,461	361,994	464	516,109	237,362	2,342,840	1,606,238
SURPLUS (DEFICIT)	6,788,847	208,373	(5,558)	8,566	-	-	-	-	7,000,228	7,080,016
	$7,169,911	$208,373	$31,828	$817,027	$361,994	$464	$516,109	$237,362	$9,343,068	$8,686,254

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

____

____

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
STATEMENT OF REVENUE, EXPENSES AND SURPLUS
FOR THE YEAR ENDED MARCH 31, 2001

	CIP	BRRP	CDRP	ADIP	AIDA	CFIP	NMCP	SPIP	SPVRP	TOTAL 2001	TOTAL 2000
REVENUE:											
Insurance Premiums											
- Farmer	$1,385,287	$ 13,006	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$1,398,293	$1,130,777
- Provincial	692,644	6,493	-	-	-	-	-	-	-	699,137	575,284
- Federal	692,644	-	-	-	-	-	-	-	-	692,644	547,054
	2,770,575	19,499	-	-	-	-	-	-	-	2,790,074	2,253,115
Less: Premium Discount	12,341	-	-	-	-	-	-	-	-	12,341	14,273
	2,758,234	19,499	-	-	-	-	-	-	-	2,777,733	2,238,842
Contributions to Operating Expenses											
- Provincial	233,329	-	-	-	84,429	9,181	-	-	-	326,939	303,097
- Federal	233,329	-	-	-	126,644	13,772	-	-	-	373,745	353,182
	466,658	-	-	-	211,073	22,953	-	-	-	700,684	656,279
Other											
Provincial Grant-Note 1(d) - 1(g)	-	-	-	-	1,515,543	139,289	186	344,072	158,066	2,157,156	3,095,210
Federal Grant-Note 1(d) - 1(g)	-	-	-	-	3,264,979	208,933	278	516,109	237,098	4,227,397	5,116,704
Late Filing Charge	357	-	-	-	-	-	-	-	-	357	592
Administration Fee	-	-	-	-	10,245	-	-	-	-	10,245	9,655
Interest Income	410,509	7,089		9,949	4,423	-	-	-	-	431,970	444,216
	410,866	7,089	-	9,949	4,795,190	348,222	464	860,181	395,164	6,827,125	8,666,377
Total Revenue	3,635,758	26,588	-	9,949	5,006,263	371,175	464	860,181	395,164	10,305,542	11,561,498
EXPENSES:											
Indemnities	2,664,232	-	-	7,065	5,384,059	348,222	464	860,181	395,164	9,659,387	11,467,354
Administration - Schedule 2	466,658	-	-	-	211,073	22,953	-	-	-	700,684	656,279
Bad Debt	1,300	259	-	8,000	15,700	-	-	-	-	25,259	11,271
Total Expenses	3,132,190	259	-	15,065	5,610,832	371,175	464	860,181	395,164	10,385,330	12,134,904
Net Income (Loss) for the Year	503,568	26,329	-	(5,116)	(604,569)	-	-	-	-	(79,788)	(573,406)
Surplus, (Deficit) Beginning of Year	6,284,319	182,044	960	603,095	9,598	-	-	-	-	7,080,016	7,653,422
Transfer - Schedule 1	960	-	(960)	-	-	-	-	-	-	-	-
Transfer Provincial Contribution (Note 2)	-	-	-	(603,537)	603,537	-	-	-	-	-	-
Surplus, (Deficit) End of Year	$6,788,847	$208,373	$ -	$ (5,558)	$ 8,566	$ -	$ -	$ -	$ -	$7,000,228	$7,080,016

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2001

	CIP	BRRP	CDRP	ADIP	AIDA	CFIP	NMCP	SPIP	SPRVP	TOTAL 2001	TOTAL 2000
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts from Producers	$1,417,272	$ 13,006	$ 241	$ 24,408	$ (70,058)	$ -	$ -	$ -	$ -	$1,384,869	$1,144,000
Receipts from Provincial Government	945,210	6,493	1,158	-	1,532,781	23,453	-	860,181	394,900	3,764,176	4,048,727
Receipts from Federal Government	917,156	-	-	-	4,236,701	-	-	-	-	5,153,857	5,378,042
Indemnity Payments	(2,898,774)	-	-	(7,065)	(4,756,168)	(348,222)	(464)	(860,181)	(395,164)	(9,266,038)	(11,153,991)
Payments for Program Administration	(466,658)	-	-	-	(211,073)	(23,453)	-	-	-	(701,184)	(656,279)
Interest Received	426,251	6,875	-	10,442	4,423	-	-	-	-	447,991	446,934
Administration Fees Received	-	-	-	-	10,245	500	-	-	-	10,745	9,655
Transfers from (to) Other Funds	960	-	(960)	(603,537)	603,537	-	-	-	-	-	-
NET INCREASE (DECREASE)	341,417	26,374	439	(575,752)	1,350,388	(347,722)	(464)	-	(264)	794,416	(782,912)
Balance, beginning of year	6,679,208	181,692	(439)	538,366	(851,344)	-	-	-	-	6,547,483	7,330,395
Balance, end of year	$7,020,625	$208,066	$ -	$ (37,386)	$ 499,044	$(347,722)	$(464)	$ -	$ (264)	$7,341,899	$6,547,483
As represented by:											
Cash	$ 636,743	$120,979	$ -	$ -	$499,044	$ -	$ -	$ -	$ -	$1,256,766	$1,316,576
Bank Overdraft	-	-	-	(37,386)	-	(347,722)	(464)	-	(264)	(385,836)	(851,783)
Term Deposits	6,383,882	87,087	-	-	-	-	-	-	-	6,470,969	6,082,690
Total Cash and Cash Equivalents	$7,020,625	$208,066	$ -	$(37,386)	$499,044	$(347,722)	$(464)	$ -	$ (264)	$7,341,899	$6,547,483

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Summary of significant accounting policies:

(a) Crop Insurance Program (CIP)

The Crop Insurance Program is treated as a separate fund and is intended to be self sustaining. The assets, liabilities and fund balances are segregated.

The agreement negotiated between the federal and provincial governments cover the cost sharing arrangements for insurance premiums and administrative expenses. Insurance revenues include government contributions to insurance premiums as described in Schedule 1. Administration expenses are cost shared 50-50 by both governments.

(b) Bacterial Ring Rot Program (BRRP)

This program was established in 1995-96 to provide protection against bacterial ring rot infection. The premium is cost shared 33.3% by the province and 66.7% by the producer.

(c) Agricultural Disaster Insurance Program (ADIP)

This is an agricultural safety net program available to farmers beginning in the 1996-97 fiscal year. The provincial/federal contributions for this program are determined on a yearly basis. The Agricultural Disaster Insurance Program has been terminated effective January 1, 2000. The Fund will be wound up in 2001-02.

(d) Agricultural Income Disaster Assistance (AIDA)

This program was designed to be compatible with and complementary to existing federal-provincial safety net programs. AIDA is a two year program for the 1998 and 1999 taxation years. The federal government contributes 60 % and the province 40 % towards eligible claim payments, as well as, costs of administering the program. The provincial 40% share of claim payments is limited to an individual payment limit of $100,000 with the federal government funding 100% above this limit. Indemnities for the 2000-01 fiscal year include only 95% of the federal governments required contribution. Payments were prorated for the 1999 claim year as eligibility limits were expected to exceed federal funding allocations. It is not certain whether the remaining 5% contribution will be received from the federal government and an additional indemnity payment issued for this amount.

(e) Canadian Farm Income Program (CFIP)

The purpose of this program is to provide income support to Canadian producers when, for reasons beyond their control, there is an extreme reduction in their farm income. The program is available for the 2000, 2001 and 2002 taxation years. The federal government contributes 60% and the province 40% towards eligible claim payments and administration.

(f) PEI Negative Margin Coverage Program (NMCP)

This is a federal-provincial companion program designed to supplement the Canadian Farm Income Program. Eligible claim payments are cost-shared 60% by the federal government and 40% by the province.

(g) Seed Incentives (SPIP and SPVRP)

An Agreement was entered into with the federal government which provides for cost sharing of incentives provided to producers for the 2000 crop year under the Seed Potato Incentive Program (SPIP) and Seed Potato Virus Reduction Program (SPVRP). Eligible program expenditures are cost shared 60% by the federal government and 40% by the province.

(h) Surplus or Deficit/Net Income or Loss

Government policy has been to allow the Insurance Funds to retain surpluses or recover deficits.

2. Transfer Provincial Contributions

The Corporation has transferred $603,537 in contributions previously received from the province under the Agricultural Disaster Insurance Program to the Agricultural Income Disaster Assistance Program. Since the province contributed to ADIP on a budget basis and not on the basis of actual payments made to producers, provincial contributions under ADIP exceeded required contributions levels by $603,537. These contributions are not required to meet cost sharing ratio's under the Canada-Prince Edward Island Framework Agreement on Agricultural Safety Nets and will be reported as a provincial contribution to AIDA and included in the cost sharing ratio under the Canada-Prince Edward Island Framework Agreement on Agricultural Risk Management.

3. Related Party Transactions

In the current year, three board members entered into crop insurance contracts under the Crop Insurance Program with premiums of $4,105 collected and indemnities of $15,695 paid. Of the premiums collected $1,998 was paid through the Seed Potato Virus Reduction Program. One Board member was also enrolled in AIDA for the 1999 tax year with a fee of $50 collected and payment of $5,389 issued as at March 31, 2001. These transactions were made on terms similar to those with unrelated parties and were in accordance with the requirements of the program.

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

SCHEDULE OF CROP INSURANCE FUND SURPLUS OR DEFICIT

FOR THE YEAR ENDED MARCH 31, 2001

	Surplus (Deficit) Start of Year	2001 Changes Premiums	2001 Changes Indemnities	Surplus (Deficit) End of Year
CROP				
Potatoes	$1,033,673	$2,309,530	$2,262,005	$1,081,198
Tobacco	1,490,185	6,696	10,379	1,486,502
Grain	2,186,858	204,990	147,757	2,244,091
Cole Crops	(377,614)	168,743	123,200	(332,071)
Rutabagas	65,037	37,451	62,626	39,862
Processed Peas	61,200	-	-	61,200
Winter Wheat	(157,410)	5,394	1,528	(153,544)
Soybean	2,827	17,801	35,556	(14,928)
Dry Bean	(61,062)	6,667	16,596	(70,991)
Grain Corn	(12,843)	10,489	4,585	(6,939)
Other	(34,629)	2,814	-	(31,815)
Total	4,196,222	2,770,575	2,664,232	4,302,565
UNALLOCATED SURPLUS (DEFICIT)	2,089,057	397,225*	-	2,486,282
	$6,285,279	$3,167,800	$2,664,232	$6,788,847

*The change consists of:	
Premium Discount	(12,341)
Interest Income	410,509
Late Filing Charge	357
Bad Debt	(1,300)
	$ 397,225

INSURANCE PREMIUMS - See Note 1(a)

The producer contributes 50% and the Federal and Provincial governments contribute 25% each to premiums for the Crop Insurance Fund.

The Commodity Diversification Risk Protection Program was wound up during 2000-01. The March 31, 2000 ending surplus of $960 has been included in the opening deficit balance of Cole Crops of the Crop Insurance Fund.

SCHEDULE 2

PRINCE EDWARD ISLAND AGRICULTURAL INSURANCE CORPORATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 2001

	CIP	AIDA	CFIP	2001 Total	2000 Total
ADMINISTRATIVE EXPENSES					
Audit	$ 7,000	$ 8,100	$ 900	$ 16,000	$ 16,500
Board Fees	5,139	3,521	391	9,051	10,821
Contract Services	-	2,652	295	2,947	-
General	3,068	2,468	274	5,810	5,420
Legal and Other	2,637	74	9	2,720	6,324
Office	12,110	6,639	738	19,487	14,968
Office Accommodation	13,387	-	-	13,387	20,063
Salaries and Benefits	366,906	179,504	19,444	565,854	529,767
Travel	56,411	8,115	902	65,428	52,416
	$466,658	$211,073	$22,953	$700,684	$656,279

Included in administrative expenses for Crop Insurance, AIDA and CFIP are expenses of $102,374, $37,799 and $4,200, respectively, incurred on behalf of Crop Insurance, AIDA and CFIP by other government organizations.

PEI AGRICULTURAL RESEARCH INVESTMENT FUND INC.

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Board of Directors of the
PEI Agricultural Research Investment Fund Inc.

I have audited the balance sheet of the PEI Agricultural Research Investment Fund Inc. as at March 31, 2001 and the statement of revenue, expenditures and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
June 25, 2001

STATEMENT 1

PEI AGRICULTURAL RESEARCH INVESTMENT FUND INC.

BALANCE SHEET

AS AT MARCH 31, 2001

ASSETS

	2001	2000
Cash	$ 53,243	$ 65,180
Provincial Deposit Receipt	758,936	1,014,093
Accounts Receivable		
- Province of Prince Edward Island	600,000	200,000
- General	828	472
	$1,413,007	$1,279,745

LIABILITY AND SHAREHOLDER'S EQUITY

	2001	2000
Accrued Liability - Note 2	$ 252,126	$ 124,585
Share Capital - Note 3	100	100
Surplus - Statement 2	1,160,781	1,155,060
	$1,413,007	$1,279,745

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

____

____

STATEMENT 2

PEI AGRICULTURAL RESEARCH INVESTMENT FUND INC.

STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Provincial Grant	$ 600,000	$ 300,000
Interest Revenue	49,732	53,973
	649,732	353,973
Expenditures		
Administration	1,601	1,440
Research Projects - Note 2	642,410	355,963
	644,011	357,403
Net Income (Loss) for the Year	5,721	(3,430)
Surplus, Beginning of Year	1,155,060	1,158,490
Surplus, End of Year	$1,160,781	$1,155,060

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 3

PEI AGRICULTURAL RESEARCH INVESTMENT FUND INC.

STATEMENT OF CASH FLOWS

AS AT MARCH 31, 2001

	2001	2000
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from Province	$ 200,000	$ 200,000
Payments to Projects	(515,246)	(298,617)
Payments to Suppliers and Board Members	(1,601)	(1,695)
Interest Received	49,753	54,135
NET DECREASE IN CASH AND CASH EQUIVALENTS	(267,094)	(46,177)
CASH AND CASH EQUIVALENTS - Note 5		
Balance, Beginning of Year	1,079,273	1,125,450
Balance, End of Year	$ 812,179	$1,079,273

(The accompanying notes are an integral part of these financial statements.)

PEI AGRICULTURAL RESEARCH INVESTMENT FUND INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Operations

The PEI Agricultural Research Investment Fund Inc. was incorporated on March 31, 1995 under Part 1 of the Companies Act. The main objective of the corporation is to provide funds for agricultural research in the Province.

2. Future Commitments

In addition to the accrued liability, the corporation has approved 16 research projects providing for future commitments of:

April 1, 2001 to March 31, 2002	$500,014
April 1, 2002 to March 31, 2003	185,230
April 1, 2003 to March 31, 2004	84,000
	$769,244

3. Share Capital

The corporation has authorized 5,000 common shares with a $1 par value. As at March 31, 2001 common shares were issued and outstanding for $100. The Government of Prince Edward Island, as represented by the Minister of Agriculture and Forestry, is the sole shareholder.

4. Provincial Administrative Expenses

Costs incurred by the Department of Agriculture and Forestry on behalf of the PEI Agricultural Research Investment Fund Inc. in administrating this fund are not reflected in the financial statements. These costs include salary and related employee benefits, office accommodations, and miscellaneous administrative expenses.

5. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and short-term investments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2001	2000
Cash on hand and balances with bank	$ 53,243	$ 65,180
Provincial deposit receipt	758,936	1,014,093
Total cash and cash equivalents	$812,179	$1,079,273

PEI AQUACULTURE AND FISHERIES
RESEARCH INITIATIVE INC.

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Board of Directors of the
PEI Aquaculture and Fisheries Research Initiative Inc.

I have audited the balance sheet of the PEI Aquaculture and Fisheries Research Initiative Inc. as at March 31, 2001 and the statement of revenue, expenditures and surplus, and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
May 15, 2001

STATEMENT 1

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

BALANCE SHEET

AS AT MARCH 31, 2001

ASSETS

	2001	2000
Cash	$ 24,377	$ 97,293
Term Deposit	840,602	839,958
Accrued Interest	921	7,240
Accounts Receivable		
- General	-	355
- Province of PEI	50,000	-
	$915,900	$944,846

LIABILITY AND SHAREHOLDER'S EQUITY

	2001	2000
Accrued Liability	$171,263	$158,844
Share Capital - Note 3	100	100
Surplus - Statement 2	744,537	785,902
	$915,900	$944,846

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

DIRECTOR: ______________________________

DIRECTOR: ______________________________

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Provincial Grant	$ 50,000	$ -
Interest Revenue	47,001	41,786
	97,001	41,786
Expenditures		
Administration	5,203	1,226
Research Projects	133,163	104,085
	138,366	105,311
Net Income (Loss) for the Year	(41,365)	(63,525)
Surplus, Beginning of Year	785,902	849,427
Surplus, End of Year	$744,537	$785,902

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 3

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Province	$ -	$ 90,000
Payments to Projects	(120,072)	(89,501)
Payments to Suppliers and Board Members	(5,876)	(1,125)
Interest Received	53,676	37,349
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(72,272)	36,723
CASH AND CASH EQUIVALENTS		
Balance, Beginning of Year - Note 6	937,251	900,528
Balance, End of Year - Note 6	$864,979	$937,251

(The accompanying notes are an integral part of these financial statements.)

PEI AQUACULTURE AND FISHERIES RESEARCH INITIATIVE INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Operations

The PEI Aquaculture and Fisheries Research Initiative Inc. was incorporated on March 27, 1996 under Part 1 of the Companies Act. The main objective of the corporation is to provide funds for aquaculture, lobster and processing research in the Province.

2. Commitments

The corporation has approved one research project providing for future commitments of $10,000 in 2001 - 2002.

3. Share Capital

The corporation has authorized 5,000 common shares with a $1 par value. As at March 31, 2001, 100 common shares were issued and outstanding for $100. The Government of Prince Edward Island, as represented by the Minister of Fisheries, Aquaculture and Environment is the sole shareholder.

4. Provincial Administrative Expenses

Costs incurred by the Department of Fisheries, Aquaculture and Environment on behalf of the PEI Aquaculture and Fisheries Research Initiative Inc. in administering this fund are not reflected in these financial statements. These costs include salary and related employee benefits, office accommodations, and miscellaneous administrative expenses.

5. Related Party Transactions

In 1998-99, one Board member was hired to conduct research on a project that has received funding from the Research Initiative. The Research Initiative will provide $51,635 towards the project's budgeted cash outlay of $74,685. The total amount budgeted to be paid to this Board member is $22,500. These transactions were made on terms similar to those with unrelated parties and were in accordance with the requirements of the Research Initiative.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and short-term investments. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2001	2000
Cash on hand and balances with bank	$ 24,377	$ 97,293
Term deposits	840,602	839,958
Total cash and cash equivalents	$864,979	$937,251

PRICEWATERHOUSECOOPERS

Prince Edward Island Business Development Inc.

Consolidated Financial Statements
March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone +1 (902) 368 3100
Facsimile +1 (902) 566 5074

July 24, 2001

Auditors' Report

To the Minister of Development and Technology

We have audited the consolidated balance sheet of **Prince Edward Island Business Development Inc.** as at March 31, 2001 and the consolidated statements of revenues and expenditures, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

Prince Edward Island Business Development Inc.

Consolidated Balance Sheet

As at March 31, 2001

	2001 $	2000 $
Assets		
Current assets		
Cash and short-term investments (note 3)	1,819,226	3,248,974
Accounts receivable (notes 4 and 18)	3,534,849	1,522,351
Grant receivable	420	51,100
Short-term loans receivable (note 5)	5,270,299	2,421,566
Prepaid expenses	10,804	1,958
Inventory (note 4)	1,453,462	399,011
Work in progress	49,700	13,540
Due from the Province of Prince Edward Island – current operations (note 6)	1,627,711	4,669,310
	13,766,471	12,327,810
Due from the Province of Prince Edward Island – provision for possible losses (note 6)	9,944,712	3,494,435
Investment in non-marketable securities (note 7)	9,083,870	7,207,013
Deferred development costs (note 8)	206,945	206,945
Loans receivable (note 5)	5,220,000	2,515,000
Property holdings (note 9)	1,521,587	2,691,046
Capital assets (notes 10 and 18)	12,461,894	13,464,165
Funds held in trust (notes 3, 11 and 18)	10,828,020	16,336,395
Net investment in leases (note 12)	1,007,315	1,007,321
Deferred costs	58,532	-
Assets under capital lease	1,478,814	-
	65,578,160	59,250,130
Liabilities		
Current liabilities		
Demand loans	-	2,570,000
Accounts payable and accrued liabilities (note 18)	20,895,110	13,544,807
Deferred revenue	10,012	9,781
Current portion of notes payable and long-term debt (note 13)	9,188,131	1,846,952
	30,093,253	17,971,540
Funds held in trust (notes 11 and 18)	10,828,020	16,336,395
Notes payable and long-term debt, less current portion (note 13)	11,001,956	13,107,588
Deferred credits (note 14)	12,010,205	10,342,293
	63,933,434	57,757,816
Contingent liabilities (note 15)		
Shareholders' Equity		
Contributed surplus (note 18)	1,786,248	1,786,248
Deficit	(141,522)	(293,934)
	1,644,726	1,492,314
	65,578,160	59,250,130

Approved by the Corporation

________________________________ Minister

Prince Edward Island Business Development Inc.

Consolidated Statement of Deficit

For the year ended March 31, 2001

	2001 $	2000 $
Balance – Beginning of year	(293,934)	(312,393)
Excess revenue for the year	152,442	18,849
	(141,492)	(293,544)
Excess revenue repayable to Province of Prince Edward Island (note 6)	(30)	(390)
Balance – End of year	(141,522)	(293,934)

Prince Edward Island Business Development Inc.

Consolidated Statement of Revenues and Expenditures

For the year ended March 31, 2001

	2001 $	2000 $
Revenue		
Grant – Province of P.E.I.	43,779,500	26,074,200
– Other	-	117,766
Interest from borrowers	143,522	51,129
Interest from deposits	121,797	12,617
Property operations	1,555,096	1,214,668
Miscellaneous	9,283	14,100
Project revenues	3,206,930	2,473,462
Retail operations (Schedule)	248,422	223,419
	49,064,550	30,181,361
Expenditures		
Administration	465,622	449,826
Project costs	2,300,684	1,434,064
Corporate management	1,951,697	1,034,138
Asset management	1,562,489	1,294,821
Business expansion activities	674,757	533,382
Food Development	338,388	289,254
New Business Development activities	-	295,121
Trade Development activities	268,741	241,990
Programs	36,425,989	19,991,274
Aerospace	144,283	150,000
Film and new media	98,775	-
Community information technology	126,570	-
Labour force	69,537	-
Policy and planning	83,902	-
Special projects	58,675	-
Marketing services	150,347	-
Charlottetown Civic Centre Inc.	95,000	100,000
Development organizations	3,408,530	3,570,246
Interest on funds borrowed	188,424	90,153
Retail operations (Schedule)	90,052	108,583
Amortization – property holdings and capital assets	1,966,733	2,136,748
Amortization of deferred credits	(1,557,087)	(1,557,088)
	48,912,108	30,162,512
Excess revenue for the year	152,442	18,849

Prince Edward Island Business Development Inc.

Consolidated Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Operating activities		
Excess revenue for the year	152,442	18,849
Items not affecting cash		
Amortization of deferred credits	(1,557,087)	(1,557,088)
Amortization – property holdings and capital assets	1,966,733	2,136,748
Gain on disposal of property holdings	(194,369)	-
Decrease (increase) in due from the Province of Prince Edward Island – provision for possible losses	(6,450,277)	552,500
	(6,082,558)	1,151,009
Net change in non-cash working capital items		
– decrease (increase) in accounts receivable	(2,012,498)	212,420
– decrease (increase) in grant receivable	50,680	(19,797)
– decrease (increase) in prepaid expenses	(8,846)	31,474
– decrease (increase) in inventory	(1,054,451)	63,142
– increase in work-in-progress	(36,160)	-
– decrease (increase) in due from the Province of P.E.I. – current operations	3,041,569	(3,904,118)
– increase (decrease) in accounts payable and accrued liabilities	7,350,303	5,801,700
– increase (decrease) in deferred revenue	230	(103,949)
	1,248,269	3,231,881
Financing activities		
Increase (decrease) in demand loans	(2,570,000)	2,410,000
Increase in deferred credits	3,225,000	-
Net change in funds held in trust	(5,508,375)	(1,523,948)
Increase (decrease) in notes payable and long-term debt (net)	5,235,547	(3,691,477)
Increase (decrease) in net investment in leases	6	(1)
	382,178	(2,805,426)
Investing activities		
Increase in deferred development costs	-	(206,945)
Purchase of capital assets	(804,108)	(1,165,181)
Additions to and purchases of property holdings	(889,977)	(281,138)
Reductions of and proceeds on disposal of property holdings	2,093,451	151,500
Decrease (increase) in investment in non-marketable securities	(1,876,857)	3,043,501
Increase in loans receivable (net)	(5,553,733)	(4,936,566)
Increase in deferred costs	(58,532)	-
Increase in assets under capital lease	(1,478,814)	-
	(8,568,570)	(3,394,829)
Decrease in cash and short-term investments and funds held in trust	(6,938,123)	(2,968,374)
Cash and short-term investments and funds held in trust – Beginning of year	19,585,369	22,553,743
Cash and short-term investments and funds held in trust – End of year	12,647,246	19,585,369

1. Status of the Corporation

Prince Edward Island Business Development Inc. is a Crown corporation incorporated under the Prince Edward Island Business Development Inc. Act (formerly Enterprise P.E.I. Act). Its financial results are included in the public accounts of the Province of Prince Edward Island.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles.

a) General

These consolidated financial statements include the accounts of the wholly-owned subsidiaries, F.T.C. Enterprises Limited, Environmental Industrial Services Inc., Corporate Services Ltd., Souris Food Park Development Corporation, Gateway Village Development Inc., Solanum – P.E.I., A Canadian Potato Systems Company Inc., Island Products Holding Inc. and Technology Prince Edward Island Inc. all having March 31, 2001 year ends.

b) Inventory

Inventory is valued at the lower of cost, determined on the first-in, first-out basis, and net realizable value.

c) Due from the Province of Prince Edward Island

i) Current operations

Excess revenue for the year for the parent company, Prince Edward Island Business Development Inc., is recorded as an amount due from the Province of Prince Edward Island.

Prince Edward Island Business Development Inc. records as revenue the annual budgeted provision for current year's possible losses. The budgeted provision for possible losses is established as part of the normal budget process and is updated to reflect known changes as they become evident during the year. The actual provision recorded in the corporation's accounts is recorded as an amount "Due from (to) the Province of Prince Edward Island – Current Operations" (note 6).

ii) Allowance for possible losses

The annual allowance for possible losses (expense or recovery) is recorded as an amount "Due from the Province of Prince Edward Island – Allowance for Possible Losses". The "Due from Province of Prince Edward Island – Allowance for Possible Losses" is reduced when a write-off is recognized by both Prince Edward Island Business Development Inc. and the Province, with notes payable reduced correspondingly. During the year, Prince Edward Island Business Development Inc. recorded bad debt recovery of nil (2000 - $552,500) and bad debt expense of $6,450,277 (2000 – nil) in the allowance for possible losses.

d) Allowance for possible losses

An allowance is maintained which is considered adequate to absorb all credit and investment related losses and off-balance sheet items including guarantees. The allowance is deducted from the applicable asset on the balance sheet, except for guarantees. The allowance for guarantees is included in accounts payable.

The allowance consists of specific and general provisions.

Specific provisions include the accumulated allowances for losses on particular assets required to reduce the book values to estimated realizable amounts. Specific provisions total $5,729,835 (2000 - $3,361,935). The accumulated allowances for losses on specific off-balance sheet items totalling $4,062,000 (2000 - $482,500) are included in the accounts payable.

The company does not accrue interest on a loan receivable once a specific provision has been recorded against the loan.

The corporation reviews its investments and advances, leased property and property holdings and guarantees on an ongoing basis to assess whether an allowance or write-off is required.

A variety of methods are used to determine the amount expected to be recovered from investments and advances to private companies and property holdings, including estimated future cash flows and the estimated fair value of the underlying security and value of any collateral security taken.

A general provision of $37,600 (2000 - $50,000) includes accumulated allowances for losses which are prudential in nature and cannot be specifically identified. The general provision is based on past performance of similar loans, the level of the specific provision, management's judgement, the economic climate and the maturity and financial strength of the investee.

e) Investment in non-marketable securities

Investment in and advances to private companies are recorded on the balance sheet at one-half of cost, under the Small Business Equity Program, except for three preferred share investments. The remaining one-half of these Small Business Equity Program investments are accounted for as a business development expense on the statement of revenue and expenditures in the year the investment is made. Any recovery exceeding the balance in share investment is taken into revenue when received.

The three preferred share investments are being carried at cost or estimated realizable value.

The investments in private companies are either common shares or non-redeemable preferred shares.

Advances – Venture Capital Debt Program are recorded at cost.

Investments in private companies and advances – Venture Capital Debt program are written down to reflect estimated realizable value when an impairment in their carrying value becomes evident or an allowance is established. Write downs are included in business development expense.

It is not practical within constraints of timeliness and cost to determine the fair value of the investment in private companies as these investments are in closely held private companies that have no organized financial market. The estimated realizable value of these investments and advances is based on expected future cash flows.

f) Capital assets and amortization

i) Property holdings

Property holdings are reported at the lower of cost, net of government grants, and estimated realizable value.

Office furniture and equipment and computer equipment are fully expensed in the year of acquisition, except for F.T.C. Enterprises Limited, Gateway Village Development Inc., and Atlantic Technology Centre Inc., a subsidiary of Technology Prince Edward Island Inc., which recorded these items as a capital asset at cost. The amount expensed during the year ended March 31, 2001 was $82,175 (2000 - $127,091). Proceeds on the sale of industrial sites are recorded as a reduction in the carrying value of the asset. Buildings held for resale and industrial malls are amortized using the straight-line method at the annual rates of 7% and 4%.

ii) Capital assets – property for development

Property for development is recorded at cost and will be transferred to a capital asset when the property has been developed or sold if that property is to be developed by a third party. Soft costs related to a property for development will be capitalized and amortized over the estimated life of the project commencing upon completion of the development of the property.

iii) Capital assets – Technology PEI

Design and pre-construction costs associated with the building are recorded as building soft costs. These costs will be capitalized as part of the cost of the building upon completion of construction.

No amortization has been recorded in the period on these capital assets. Assets are under construction and the company is in a pre-operating period prior to the commencement of commercial activities.

Amortization of costs related to the building will commence upon completion of construction and amortization of computer hardware, software and furniture and fixtures will commence when the company begins active operations.

iv) Amortization

Capital assets are amortized using the straight-line method at annual rates ranging from 5% to 50% as indicated in note 10.

A full year's amortization is recorded in the year of acquisition.

v) Estimated realizable value

Estimated realizable value for industrial sites is the expected proceeds on resale and for industrial malls it is the property tax assessed value.

Estimated realizable value for land, buildings and equipment held for resale under lease purchase options is its property tax assessed value.

The reduction from cost to estimated realizable value is recorded as a provision for possible losses.

g) Net investment in leases

The company's subsidiaries accumulate costs of constructing assets, that are to be classified as capital leases, as assets under capital lease, and the related grants as deferred credits until the lease term begins. When the lease term begins, the assets under capital lease and deferred credits are removed from the balance sheet and a net investment in leases is recorded. The net investment in leases represents the minimum lease payments receivable over the term of the lease plus the purchase option.

h) Deferred costs

Certain costs incurred in the pre-operating period of Atlantic Technology Centre Inc., a subsidiary of Technology Prince Edward Island Inc., are deferred and will be amortized when the company begins active operations.

i) Programs assistance payable

Provincially funded non-cost shared program assistance is expensed and included in accrued liabilities when approved and accepted. Federal-Provincial cost shared programs are expensed when the funds are disbursed.

j) Federal programs and grants

Federal programs

Prince Edward Island Business Development Inc. administers programs on behalf of the Federal Government. Any difference between federal funding received and program expenditures is recorded as an accounts receivable or accounts payable. During the year, Prince Edward Island Business Development Inc. disbursed $1,285,973 (2000 - $1,091,988) under the programs. Included in accounts receivable is $1,006,976 (2000 - $89,987) due from the federal government relating to the 2001 programs.

Included in the program disbursements is $298,590 (2000 - $228,574) in costs related to salary costs of Prince Edward Island Business Development Inc. employees who deliver and administer these programs. This cost recovery has been recorded as a reduction in Prince Edward Island Business Development Inc. salary costs.

Federal grants

Federal government grants received are recorded as a reduction in the related expenditures in the period received. During the year, the company has recorded $409,148 as a reduction of program expenditures for federal grants received.

k) **Pension liability**

Most of the corporation's staff are members of the Province of Prince Edward Island pension plan. Pension obligations are liabilities of the Province and not the corporation and no liability for these costs has been accrued by the corporation.

l) **Deferred credits**

Prince Edward Island Business Development Inc. subsidiaries have adopted the policy that contributions received towards the acquisition of capital assets are being deferred and amortized to income on the same basis as the related capital assets are amortized.

m) **Revenue recognition**

Prince Edward Island Business Development Inc. subsidiaries follow the percentage-of-completion method of accounting for revenue and expenditures on project contracts. The percentage-of-completion method records the organization's revenue based on the expenditures incurred and work completed on each contract in progress as at the balance sheet date.

Work in progress in excess of progress billings is recorded at year end to appropriately recognize revenue under the percentage-of-completion basis of accounting when work in progress is in excess of actual billings generated. Billings generated in excess of the related work in progress at year end are recorded as deferred revenue.

n) **Interest expense**

Interest paid by Prince Edward Island Business Development Inc. is included as part of the program expense to which it relates. Included in expenses is interest expense for 2001 as follows:

	2001 **$**	**2000** **$**
Interest on short-term borrowings	345,021	69,350
Interest on long-term debt	939,373	1,013,432
	1,284,394	1,082,782

o) **Management estimates**

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period.

p) **Estimated realizable value of financial instruments**

Estimated realizable value (fair value) is subjective in nature requiring a variety of valuation techniques and assumptions. The company's financial instruments are not exchangeable and it is difficult, and often not practical, to determine their estimated realizable value. Where it is possible to estimate realizable value, the company assumes that it will not sell the assets or the liabilities, taking into account only changes in credit risk as credit risk is the main cause of change in the estimated realizable value of the company's financial instruments. Credit risk is defined as the risk that the note holder will fail to discharge an obligation in whole or in part resulting in a financial loss to this company.

3. Market value of investments

Cash and short-term investments and funds held in trust of $12,647,246 (2000 - $19,585,369) consist of portfolio investments and cash having a quoted market value of $12,630,291 (2000 - $19,264,833). The majority of marketable securities have a fixed value and it is expected that most securities will be held until they mature.

4. Accounts receivable and inventory

The accounts receivable have been reduced by an allowance for possible losses of $192,446 (2000 - $136,341).

Inventory has been reduced by an allowance for possible losses of $210,000 (2000 – nil).

5. Loans receivable

	2001 $	2000 $
Short-term loans receivable		
Short-term loans receivable and loans due on demand with various interest rates due within the next fiscal year	8,013,476	2,421,566
Less: Allowance for possible losses	2,743,177	-
	5,270,299	2,421,566
Long-term loans receivable		
4% loan receivable, with interest payable quarterly and principal due on February 1, 2005	2,500,000	2,500,000
9.25% loan receivable, with principal and interest payable monthly beginning September 15, 2000, maturing June 15, 2005	80,000	50,000
7.25% loan receivable, with interest payable semi-annually and principal due on November 10, 2005	200,000	-
8.5% loan receivable, with interest payable semi-annually and principal due on February 15, 2003	55,000	-
7% loan receivable, with principal and interest payable monthly, maturing November 1, 2005	325,000	-
9% loan receivable, with interest payments due monthly beginning May 30, 2000 and principal payments due monthly beginning September 30, 2000, due May 1, 2005	70,000	-
4% loan receivable, with interest payable quarterly beginning June 30, 2000 and principal due on May 12, 2005. Sinking fund payments of $125,000 are payable annually beginning May 2001	2,100,000	-
Non-interest bearing note receivable, payable beginning September 30, 2001, in monthly instalments of $750 or 50% of the recipient's monthly revenues whichever is less	20,000	-
9.5% loan receivable, repaid during the year	-	15,000
	5,350,000	2,565,000
Less: Allowance for possible losses	130,000	50,000
	5,220,000	2,515,000

6. Due from the Province of Prince Edward Island

	2001 $	2000 $
Current operations		
Excess revenue for the year (non-consolidated) repayable to the Province of Prince Edward Island	(30)	(390)
Excess (deficiency) of current year's forecast provision for possible losses over actual provision for possible loss	(6,450,277)	552,500
Operating grant from Province of Prince Edward Island	8,078,018	4,117,200
	1,627,711	4,669,310
Allowance for possible losses		
Balance – beginning of year	3,494,435	4,046,935
Current year's provision for possible losses expense (recovery)	6,450,277	(552,500)
	9,944,712	3,494,435
	11,572,423	8,163,745

7. Investment in non-marketable securities

	2001 $	2000 $
Investment in private companies		
Small business equity program investments	3,096,732	3,184,231
Venture capital equity program investments	362,000	262,000
	3,458,732	3,446,231
Less: Allowance for possible losses	1,876,030	1,906,030
	1,582,702	1,540,201
Investment in preferred shares of private corporations	7,114,812	5,434,812
Advances – Venture Capital Debt Program		
Advances to private companies – bearing interest at variable rates, repayable on performance	883,356	1,039,000
Less: Allowance for possible losses	497,000	807,000
	386,356	232,000
	9,083,870	7,207,013

8. Deferred development costs

Net deferred development costs were accumulated from several projects associated with the *Lobster 2000*™ development work. The costs consist of two patent applications co-registered in the United States, Canada and Cuba, prototype production test equipment and processes for the extraction of both Canadian and Spiny lobster meat, and various other costs. Management has entered into negotiations with third parties for the sale of the intellectual property rights associated with these projects and consider the potential recovery sufficient to fully recover costs incurred.

Subsequent to March 31, 2001, the company sold the patents, processes and equipment associated with the *Lobster 2000*™ development work. Proceeds from the sale consisted of $120,000 in cash, $50,000 in preferred shares and net royalties in the amount of 1.25% of gross income received by the purchaser for the direct sales of the products sold or 12.5% of net licensing fees received by the purchaser for licensing agreements.

9. Property holdings

			2001	**2000**
	Cost $	**Accumulated amortization and grants $**	**Net $**	**Net $**
Industrial sites	3,310,877	2,938,096	372,781	463,306
Industrial malls	2,806,046	2,806,046	-	424,170
	6,116,923	5,744,142	372,781	887,476
Land, buildings and equipment held for resale or under lease purchase options			1,747,711	2,402,475
			2,120,492	3,289,951
Less: Allowance for possible losses – land, buildings and equipment held for resale			598,905	598,905
			1,521,587	2,691,046

10. Capital assets

				2001	2000
	Amortization rate %	**Cost $**	**Accumulated amortization $**	**Net $**	**Net $**
F.T.C. Enterprises Limited					
Building	5 SL	2,524,959	1,441,510	1,083,449	1,209,696
Pilot plant and laboratory equipment	10 – 20 SL	1,581,176	1,373,108	208,068	83,932
Laboratory supplies	50 SL	120,524	120,524	-	-
Computer and audio visual equipment	33 1/3 SL	446,658	407,732	38,926	54,412
Office furniture and equipment	20 SL	160,856	146,170	14,686	17,386
		4,834,173	3,489,044	1,345,129	1,365,426
Souris Food Park Development Corporation					
Land		242,898	-	242,898	242,898
Land improvements	8 SL	2,511,881	803,803	1,708,078	1,909,029
Waste treatment – soft costs	8 SL	91,764	22,022	69,742	77,082
– equipment	20 SL	2,909,310	1,745,586	1,163,724	1,745,586
Soft costs	8 SL	1,934,724	619,112	1,315,612	1,470,390
Equipment	20 SL	145,517	116,414	29,103	58,207
		7,836,094	3,306,937	4,529,157	5,503,192
Gateway Village Development Inc.					
Land		1	-	1	1
Building – Phase I	5 SL	3,095,313	593,269	2,502,044	2,656,810
– Phase II	5 SL	1,656,309	248,446	1,407,863	1,490,679
Land improvements – Phase I	10 SL	816,743	313,086	503,657	585,331
– Phase II	10 SL	357,244	106,561	250,683	286,408
Interpretative Centre	20 SL	1,078,080	823,192	254,888	464,698
Retail fixtures – Phase I	20 SL	77,657	57,313	20,344	31,952
– Phase II	20 SL	95,970	55,220	40,750	54,038
Signage	20 SL	12,798	5,119	7,679	10,238
		7,190,115	2,202,206	4,987,909	5,580,155
Environmental Industrial Services Inc.					
Property for development – land		929,085	-	929,085	929,085
Soft costs		86,307	-	86,307	86,307
		1,015,392	-	1,015,392	1,015,392
Technology Prince Edward Island Inc.					
Computer hardware and software		9,274	-	9,274	-
Furniture and fixtures		407	-	407	-
Building soft costs		574,626	-	574,626	-
		584,307	-	584,307	-
		21,460,081	8,998,187	12,461,894	13,464,165

SL – straight line

11. Funds held in trust

Under the terms of an agreement between Corporate Services Ltd., Prince Edward Island Government Economic Development Fund (No. II) Inc., (Island Fund II), Prince Edward Island Government Economic Development Fund (No. III) Inc., (Island Fund III), Prince Edward Island Government Economic Development Fund (No. IV) Inc., (Island Fund IV), and Prince Edward Island Government Economic Development Fund (No. V) Inc., (Island Fund V), Corporate Services Ltd. is to act as the Escrow Agent for investors of a $30,000,000 venture capital fund offering for each of the funds, except for Island Fund IV which has a $35,000,000 venture capital fund offering.

Corporate Services Ltd. receives the subscription forms from potential investors and holds the funds in trust until the commencement date. The commencement date is to be established within 100 days of receipt of twelve subscriptions. On the commencement date, the Escrow Agent shall:

- Advance to Island Fund II, Island Fund III, Island Fund IV or Island Fund V

  - 70% of subscription proceeds to be reinvested;
  - 10% of subscription proceeds to be used to cover offering and operating costs;

  Interest earned on the account while the funds are in escrow is the property of the specific fund.

- Establish a repayment account to retain on deposit the remaining 20% of the subscription proceeds to be invested in a liquid, high-rate investment account for the purpose of refunding rejected investors. Interest earned on the repayment account accrue to the benefit of the specific projects, Island Investment Development Inc., or Island Fund IV or V as applicable, and not Corporate Services Ltd.

12. Net investment in leases

The net investment in leases represents the minimum lease payments over the term of the lease plus purchase options receivable. The net investment in leases consists of the following:

Environmental Industrial Services Inc.

Environmental Industrial Services Inc. has entered into agreements to lease its three properties on terms that require these leases to be accounted for as capital leases. In accounting for the capital leases, the capital assets and related deferred credits have been removed and recorded as net investment in leases. The net investment in leases consists of the following:

- McCain Foods Limited – 10 year lease term for the period from February 20, 1991 to December 31, 2000, with the lessee paying all operating costs, an annual lease payment of nil and a purchase option of $20.
- Cavendish Farms – 8-year lease term for the period from January 1, 1994 to December 31, 2001, with the lessee paying all operating costs, an annual lease payment of nil and a purchase option of $10.
  Both leases have the option to be extended an additional 10 years at the expiration of the lease term at the option of the lessee.

- Small Fry – 9-year lease term for the period from December 22, 1996 to December 31, 2005, with the lessee paying all operating costs, an annual lease payment of nil and a purchase option of $7,260.

Souris Food Park Development Corporation

Souris Food Park Development Corporation has entered into agreements to lease its two properties on terms that require these leases to be accounted for as capital leases. When the company entered into the capital leases for capital property that it owned, the capital assets and related deferred credits were removed and the company recorded a net investment in lease.

The net investment in lease represents the minimum lease payments over the term of the lease plus purchase options receivable. The net investment in lease consists of the following:

- AgraWest Investments Ltd. – 5-year lease term for the period from June 16, 1997 to June 15, 2002, $5 per year with a purchase option of $1,000,000.

13. Notes payable and long-term debt

	2001 $	2000 $
Notes payable – short-term promissory notes	7,082,500	-
– long-term	12,207,587	14,009,540
ACOA non-interest bearing loan due February 1, 2006, repayable in annual instalments of $180,000 February 1, 2002 through 2006	900,000	945,000
	20,190,087	14,954,540
Less: Current portion	9,188,131	1,846,952
	11,001,956	13,107,588

Short-term promissory notes are issued to the Province of Prince Edward Island with interest set monthly based on the Province's short-term lending rate in existence at the first day of the month. These notes are renewed on an ongoing basis with interest payable monthly.

The notes payable – long-term are issued to the Province of Prince Edward Island and have various repayment terms and interest rates ranging from 5.53% to 8.50%.

The aggregate amount of principal payments required in each of the next five years to meet retirement provisions is as follows:

		$
Year ending March 31,	2002	9,188,131
	2003	1,901,231
	2004	1,381,764
	2005	1,475,181
	2006	1,576,036

14. Deferred credits

	2001			**2000**
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**	**Net** **$**
F.T.C. Enterprises Limited				
Building	2,349,320	1,366,313	983,007	1,100,473
Pilot plant and laboratory equipment	998,071	998,071	-	-
Computer and audio visual equipment	25,169	25,169	-	-
Office furniture and equipment	53,063	53,063	-	-
	3,425,623	2,442,616	983,007	1,100,473
Souris Food Park Development Corporation				
Federal	7,212,126	3,043,441	4,168,685	5,065,160
Provincial	623,973	263,501	360,472	438,032
	7,836,099	3,306,942	4,529,157	5,503,192
Gateway Village Development Inc.				
Building – Phase I	3,095,313	593,270	2,502,043	2,656,809
Land improvements	816,743	313,084	503,659	585,333
Interpretative Centre	1,072,001	821,867	250,134	464,534
Retail fixtures	73,735	56,530	17,205	31,952
	5,057,792	1,784,751	3,273,041	3,738,628
Environmental Industrial Services Inc.				
Capital lease – construction in progress	2,500,000	-	2,500,000	-
Technology Prince Edward Island Inc.				
Building – soft costs	725,000	-	725,000	-
	19,544,514	7,534,309	12,010,205	10,342,293

15. Contingent liabilities

a) As of March 31, 2001, Prince Edward Island Business Development Inc. was contingently liable under loan guarantees in the amount of $20,863,951 (2000 - $12,046,039) for which Prince Edward Island Business Development Inc. has included $4,362,000 (2000 - $482,500) in its allowance for possible losses. This portion of the allowance for possible losses is recorded as an account payable.

b) F.T.C. Enterprises Limited has guaranteed loans of $25,000 of one of the private corporations in which it has invested.

c) Souris Food Park Development Corporation is contingently liable for property taxes owing of $307,108 by one of its tenants.

16. Commitments

F.T.C. Enterprises Limited has entered into a twenty-five year lease expiring November 2013 with the University of Prince Edward Island for the lease of land upon which the corporation constructed its facilities. The lease cost is $1 per year and is renewable for a further term of twenty-five years for the same annual consideration.

17. Operating agreements

Environmental Industrial Services Inc. has agreements with McCain Foods Limited, Irving Pulp & Paper Limited and Small Fry Snack Foods Inc. to operate wastewater treatment facilities until December 2000, 2001 and 2002, respectively, and stipulate that the companies shall pay Environmental Industrial Services Inc. a user fee equal to the operating costs of the facilities excluding interest and amortization charges. The companies pay these operating costs directly and accordingly a user fee has not been charged by Environmental Industrial Services Inc.

Environmental Industrial Services Inc. is responsible for operating the Brudenell Water and Sewer Utility on behalf of the Province of Prince Edward Island. Environmental Industrial Services Inc. pays the operating costs of the Utility and recovers these costs from the users of the utility on a pro-rata basis based on usage.

18. Related party transactions

Balance sheet

Accounts receivable

Included in accounts receivable is $561,812 (2000 - $234,727) due from the Province of Prince Edward Island and $23,069 (2000 – nil) due from ISA Inc., a provincial crown corporation.

Funds held in trust

The funds held in trust are due to Island Investment Development Inc., a provincial crown corporation.

Accounts payable

Included in accounts payable and accrued liabilities is $4,795 (2000 - $2,688) payable to Province of Prince Edward Island, $1,603,477 (2000 - $2,296,658) due to Island Investment Development Inc., a Crown Corporation, and $50,984 (2000 – nil) payable to P.E.I. Lending Agency, a Crown Corporation.

Capital assets

The Province of P.E.I. transferred land to Gateway Village Development Inc. in 1997. In accordance with the terms of the transfer, the exchange and carrying amounts of the land was established as $1.

The Department of Public Works of the Province of Prince Edward Island conveys land to the company periodically to be granted to developers under various programs. The exchange and carrying amounts of land when transferred into the company is established as nil.

Deferred credits

During the year Atlantic Technology Centre Inc., a subsidiary of Technology Prince Edward Island Inc., received $725,000 (2000 – nil) from the Province of Prince Edward Island to fund the acquisition of assets. This amount has been recorded as deferred credits.

Contributed surplus

Gateway Village Development Inc. and F.T.C. Enterprises Limited have received $1,786,248 in funds from the Province of Prince Edward Island through Prince Edward Island Business Development Inc. that have been accounted for as contributed surplus. This contribution has not been eliminated on consolidation.

Statement of revenue and expenditures

Revenue

Included in grant revenue is a grant of $120,700 (2000 - $357,000) paid to Solanum – PEI, A Canadian Potato Systems Company Inc. from the Province of Prince Edward Island.

Management fees

During the year, management fees of $150,000 (2000 - $150,000) were received from Island Investment Development Inc. and $23,069 (2000 - nil) were received from ISA Inc., a provincial crown corporation. These fees have been recorded as a reduction in administrative expenditures and corporate management expenditures, respectively.

Interest expense

Included in expenditures is $1,137,041 (2000 - $1,054,846) in interest paid to Province of Prince Edward Island.

Other

The corporation provides office premises to two other Crown Corporations of the Province of Prince Edward Island, Tourism PEI and Golf Links P.E.I. Inc., for nil consideration. Tourism PEI provided management services to Corporate Services Ltd. for consideration of $5,950 (2000 - $14,100). Tourism PEI is a Crown Corporation of the Province of P.E.I. and Golf Links P.E.I. Inc. is a subsidiary of Tourism PEI

The above transactions were recorded in the normal course of operations and measured on the same terms as transactions with unrelated parties.

19. Comparative figures

Certain comparative figures presented for the 2000 fiscal year have been restated to conform with the financial statement presentation adopted for the current year.

Prince Edward Island Business Development Inc.

Schedule of Retail Operations

For the year ended March 31, 2001 **Schedule**

	2001 $	2000 $
Revenue		
Sales – Island Store	495,626	534,061
– Golf Store	-	16,498
– Consignment sales – net	6,678	4,678
	502,304	555,237
Cost of goods sold		
Island Store	253,882	314,098
Golf Store	-	17,720
	253,882	331,818
Gross margin	248,422	223,419
Expenditures		
Office supplies	1,093	1,013
Electricity, fuel, common area	2,874	3,056
Bank charges and interest	6,791	13,403
Cash overage	(957)	(1,007)
Telecommunications	2,031	1,613
Packaging	3,511	8,053
Advertising and promotion	1,442	1,472
Salaries and benefits	65,291	73,222
Travel and training	5,113	2,497
Dues and fees	725	725
Product development	510	1,579
Maintenance and cleaning	1,628	2,957
	90,052	108,583

PROVINCE OF PRINCE EDWARD ISLAND

CIVIL SERVICE SUPERANNUATION FUND

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

Honourable Patricia J. Mella
Provincial Treasurer
Province of Prince Edward Island

I have audited the statement of net assets available for benefits of the Civil Service Superannuation Fund as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Provincial Treasurer. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
August 27, 2001

STATEMENT 1

PROVINCE OF PRINCE EDWARD ISLAND

CIVIL SERVICE SUPERANNUATION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31, 2001

ASSETS

	2001	2000
Cash	$ 577,893	$ 387,458
Receivables		
Contributions receivable - employees	291,658	248,810
Contributions receivable - employers	727,233	505,738
Other	-	6,786
	1,596,784	1,148,792
Investments (Notes 2b, 3)		
Province of Prince Edward Island Master Trust	390,551,887	373,107,509
Total assets	$392,148,671	$374,256,301

LIABILITIES

	2001	2000
Accounts payable	$ 503,825	$ 265,051
NET ASSETS AVAILABLE FOR BENEFITS	$391,644,846	$373,991,250

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 2

PROVINCE OF PRINCE EDWARD ISLAND

CIVIL SERVICE SUPERANNUATION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
INCREASE IN ASSETS		
Investment income		
Interest	$ 10,229,525	$ 12,527,579
Dividends	7,310,682	1,842,966
	17,540,207	14,370,545
Market value increase (decrease)	(6,281,258)	28,624,772
Contributions (Note 5)		
Employees' contributions	8,081,918	7,320,934
Employers' contributions	8,081,918	7,320,934
Transfers from other plans	2,540,487	123,793
Refund repayments	197,017	157,525
Purchased service	313,831	264,382
Government contribution toward unfunded liability (Note 5)	5,926,605	5,926,605
	25,141,776	21,114,173
Total increase in assets	36,400,725	64,109,490
DECREASE IN ASSETS		
Administrative expenses	1,339,920	1,182,440
Benefits paid	15,773,982	15,054,663
Refunds	204,701	258,305
Transfers	1,428,526	1,476,337
Total decrease in assets	18,747,129	17,971,745
INCREASE IN NET ASSETS	17,653,596	46,137,745
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	373,991,250	327,853,505
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$391,644,846	$373,991,250

(The accompanying notes are an integral part of these financial statements.)

PROVINCE OF PRINCE EDWARD ISLAND

CIVIL SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

The following description of the Civil Service Superannuation Plan is a summary only. For more complete information, reference should be made to the Civil Service Superannuation Act.

a) General
The Plan is a contributory defined benefit plan covering permanent, probationary, provisional and executive employees as defined in the Civil Service Act. In addition, the plan covers employees receiving disability payments under the Employees Long Term Disability Plan. Under the Plan, employees and the employer make equal contributions amounting to 6.95% on that part of salary on which Canada Pension Plan contributions are made and 8.75% on salary when Canada Pension Plan contributions are not required.

b) Pensions
Pensions payable are based on the number of years of service times 2% of the best three years' average salary. Eligibility is subject to age and years of service criteria.

c) Survivors' Pensions
A survivor pension is paid to a spouse and allowances are provided to dependent children of a member who has at least five years of service.

d) Death Refunds
A death refund is payable to the personal representative of an employee where the total of payments to survivors are less than the employee's contributions.

e) Withdrawal Refunds
Upon application, withdrawal refunds of the employee contributions are payable when a member ceases to be employed in the Civil Service.

f) Transfers
Reciprocal transfer arrangements with other pension plans provide for the transfer of contributions and periods of service.

g) Income Taxes
The plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income tax.

PROVINCE OF PRINCE EDWARD ISLAND

CIVIL SERVICE SUPERANNUATION FUND

NOTES TO FINANCIAL STATEMENTS (continued)

MARCH 31, 2001

2. Summary of Significant Accounting Policies

a) Basis of Presentation
These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Province and plan members. They are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but do not portray the funding requirements of the Plan or the benefit security of individual plan members.

b) Investments are stated at market value, with the exception of Real Estate Investments which are valued at cost, as reported by the custodian of the Province of Prince Edward Island Master Trust as of March 31, 2001.

3. Investments

In April 1994, the investments of the Civil Service Superannuation Fund, MLA Pension Fund, and the Teachers' Superannuation Fund were consolidated into the Province of Prince Edward Island Master Trust. The Pension Plan for the Members of the Legislative Assembly became a participant in the Master Trust in February 1995. Units are held by each of these funds in the Master Trust. As of March 31, 2001 there were 602,064.278 units held in the Province of Prince Edward Island Master Trust, of which Civil Service Superannuation Fund held the following:

Units held	346,274.416
Market value per unit	$ 1,127.87
Total market value held	$390,551,887

Investments of the Province of Prince Edward Island Master Trust are as follows:

Canadian T-Bills	$ 18,244,082
Other liquid assets	799,018
Bonds, debentures and notes	248,274,455
Canadian equity securities	272,939,161
Foreign equity securities	127,669,498
Accrued income receivable	4,772,216
Real estate	6,350,733
Total	$679,049,163

3. Investments continued ...

The investment of $679,049,163 include amounts which the five Master Trust Fund managers have invested in their own pooled funds. The March 31, 2001 market values of these investments are as follows:

Sceptre Investment Counsel Limited	$ 56,864,598
Beutel Goodman & Company Ltd.	26,165,685
McLean Budden Limited	41,991,281
Newcastle Capital Management Inc.	40,000,963
Templeton Management Limited	45,314,437
Total	$210,336,964

4. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and best estimate assumptions. An actuarial valuation was done as of April 1, 1999 by Morneau Sobeco. The actuarial present values of benefits as at April 1, 1999 and the principal components of change from the previous actuarial valuation as at April 1, 1996 were as follows:

Actuarial present value of accrued pension benefits - April 1, 1996	$292,126,000
Liability adjustments (data corrections)	9,071,000
Actuarial present value of accrued pension benefits - April 1, 1996 (after adjustments)	$301,197,000
Interest on actuarial present value of accrued pension benefits	78,430,000
Actuarial present value of benefits accrued in the intervaluation period	31,725,000
Interest on present value of benefits accrued in the intervaluation period	3,978,000
Benefits paid	(44,000,000)
Interest on benefits paid	(5,527,000)
Gain re changes in actuarial assumptions	475,000
Net experience loss	1,296,000
Actuarial present value of accrued pension benefits at April 1, 1999	$367,574,000

The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant actuarial assumptions used in the valuation were:

Asset rate of return	7.9% per annum
Basic salary escalation rate (excluding promotional increases)	4.0% per annum
Pension cost of living increases	3.25% per annum

The actuarial net asset value used in the valuation was $328,023,000.

5. Funding Policy

In accordance with the Civil Service Superannuation Act, employees are required to contribute as described in Note 1(a). The employer matches employee contributions to the Fund. Under Section 5 of the Civil Service Superannuation Act, payments out of the Fund are guaranteed by the Province of Prince Edward Island. The most recent actuarial valuation prepared by Morneau Sobeco disclosed an unfunded liability as at April 1, 1999 of $39.551 million. The unfunded liability amount of $39.551 million does not include an allowance for the present value of the future contributions noted below. The present value of remaining special contributions required by the Civil Service Superannuation Act as at April 1, 1999 is $28,558,000. If this present value had been considered for the actuarial valuation balance sheet, the unfunded liability would be $11,001,000.

As of March 31, 2001, the estimated unfunded liability of the Fund is $64,281,000. This estimate does not include an allowance for the present value of the remaining special contributions. If the present value of the remaining special payments had been considered, as of March 31, 2001, the fund would have an estimated unfunded liability of $43,780,000.

For the purpose of reducing the unfunded liability of the Fund, an amendment to the Civil Service Superannuation Act requires the Lieutenant Governor-in-Council to pay $63.35 million into the Fund in accordance with the following schedule:

April 1, 1995	$11.6 million
April 1, 1996	5.75 million
March 31, 1998*	5.75 million
April 1, 1998	5.75 million
April 1, 1999	5.75 million
April 1, 2000	5.75 million
April 1, 2001	5.75 million
April 1, 2002	5.75 million
April 1, 2003	5.75 million
April 1, 2004	5.75 million

* An amount equal to the revenue that would otherwise have been earned for the period April 1, 1997 to March 31, 1998, on the contribution for the 1997-98 fiscal year that is deferred to March 31, 1998, shall be paid in seven equal installments commencing on April 1, 1998.

PRINCE EDWARD ISLAND

CROWN BUILDING CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Crown Building Corporation

I have audited the non-consolidated balance sheet of the Prince Edward Island Crown Building Corporation as at March 31, 2001 and the non-consolidated statement of operations and surplus for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations for the year then ended in accordance with the basis of accounting disclosed in Note 1 to the financial statements.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
December 4, 2001

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

BALANCE SHEET

AS AT MARCH 31, 2001

	2001	2000
ASSETS		
Cash and account receivable	$ 43	$ 69
Capital assets - Note 2	271,340	271,340
Investment in veterinary clinic - Note 1(b)	7,545	7,619
TOTAL ASSETS	$278,928	$279,028
SURPLUS		
SURPLUS - STATEMENT 2	$278,928	$279,028

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

____

STATEMENT 2

PRINCE EDWARD ISLAND CROWN BUILDING CORPORATION

STATEMENT OF OPERATIONS AND SURPLUS

YEAR ENDED MARCH 31, 2001

	2001	2000
INCOME		
Appropriation from Province of P.E.I. - Note 1(b)	$ -	$ 13,262
EXPENSES		
Bank charges	26	43
Veterinary clinic loss - Note 1(b)	74	13,219
	100	13,262
NET INCOME (LOSS)	(100)	-
SURPLUS - beginning of year	279,028	279,028
SURPLUS - end of year	$278,928	$279,028

(The accompanying notes are an integral part of these financial statements.)

Consolidated Financial Statements of

PRINCE EDWARD ISLAND ENERGY CORPORATION

Year ended March 31, 2001

PRINCE EDWARD ISLAND ENERGY CORPORATION
Consolidated Balance Sheet

March 31, 2001, with comparative figures for 2000

	2001	2000
ASSETS		
Current assets:		
Cash	$ 85,843	19,365
Accounts receivable	253,924	146,209
Holdbacks receivable	36,175	64,904
Prepaid expenses	2,172	1,711
Inventories - maintenance and construction supplies	3,148	2,197
Restricted cash	8,777	8,560
Deposit and engineering costs - Wind Farm	1,226,684	-
	$1,616,723	242,946

	2001	2000
LIABILITIES AND SURPLUS		
Current liabilities:		
Bank indebtedness	$1,200,000	39,512
Accounts payable and accrued liabilities	198,061	91,305
Royalties payable	64,936	60,584
Deferred revenue - projects	51,708	8,560
	1,514,705	199,961
Reserve for equipment	68,337	68,337
Surplus (deficit) (note 3)	33,681	(25,352)
Contingency (note 3)		
	$1,616,723	242,946

See accompanying notes to financial statements

On Behalf of the Board:

_______________________Director

_______________________Director

PRINCE EDWARD ISLAND ENERGY CORPORATION

Consolidated Statement of Surplus

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Deficit, beginning of year	$ (25,352)	(816)
Earnings (loss) - operating for the year (page 3)	59,033	(24,536)
	33,681	(25,352)
Contribution to Province of Prince Edward Island	-	-
Surplus (deficit), end of year	$ 33,681	(25,352)

See accompanying notes to financial statements

PRINCE EDWARD ISLAND ENERGY CORPORATION

Consolidated Statement of Earnings - Operating

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenues:		
Grants - Province of Prince Edward Island	$ 299,500	187,658
- Government of Canada	236,006	242,900
	535,506	430,558
Expenses:		
Advertising	587	13,027
Audit	5,508	5,125
Consulting fees	48,326	12,600
Materials and supplies	3,106	11,026
Heat and lights	8,304	9,653
Miscellaneous	6,070	8,836
Insurance	4,819	3,840
Office and computer equipment	12,022	24,333
Office supplies	5,960	6,829
Operations and maintenance	6,894	3,057
Professional fees	18,442	-
Telephone	6,958	6,138
Travel	20,749	29,056
Vehicle allowance	6,785	4,241
Wages and levies	336,919	313,248
Year 2000 Conversion	-	1,564
	491,449	452,573
Earnings (loss) before the undernoted	44,057	(22,015)
Earnings (loss) - projects	13,274	(4,085)
Other income (note 2)	1,702	1,564
Net earnings (loss)	$ 59,033	(24,536)

See accompanying notes to financial statements

PRINCE EDWARD ISLAND ENERGY CORPORATION

Consolidated Statement of Cash Flows

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Cash flows from operating activities:		
Cash receipts from customers	$ 732,645	535,694
Cash paid to suppliers and employees	(598,124)	(512,689)
Interest received	1,702	1,564
Interest paid	(3,332)	(1,412)
	132,891	23,157
Cash flows from investing activities:		
Increase in deposit and engineering costs - Wind Farm	(1,226,684)	-
Net increase (decrease) in cash	(1,093,793)	23,157
Cash, beginning of year	(11,587)	(34,744)
Cash, end of year	$ (1,105,380)	(11,587)
Represented by:		
Cash	$ 85,843	19,365
Restricted cash	8,777	8,560
Bank indebtedness	(1,200,000)	(39,512)
	$ (1,105,380)	(11,587)

See accompanying notes to financial statements

Prince Edward Island Energy Corporation is a Crown corporation established by the Energy Corporations Act. The company's principal business activities include the development and promotion of energy systems.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements include the accounts of the corporation's 100% owned subsidiary, The Atlantic Wind Test Site Inc.

(b) Inventories:

Inventories of maintenance and construction supplies are valued at the lower of cost and net realizable value as determined by management.

2. Other income:

	2001	2000
Interest	$1,702	1,564
	$1,702	1,564

3. Contingency:

The Atlantic Wind Test Site Inc. receives cost-shared funding under an operating agreement with Natural Resources Canada. This agreement includes provisions which require the pro-rata repayment of any surplus in the event that activities of the Test Site are terminated. The company has a surplus as of March 31, 2001 of $ 33,681.

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Grain Elevators Corporation

I have audited the balance sheet of the Prince Edward Island Grain Elevators Corporation as at July 31, 2000 and the statements of income and retained earnings, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at July 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
October 23, 2000

STATEMENT 1

PRINCE EDWARD ISLAND GRAIN ELEVATORS CORPORATION
BALANCE SHEET
AS AT JULY 31, 2000

ASSETS

	2000	1999
CURRENT ASSETS		
Accounts Receivable - General - Notes 1(b) and 2	$ 511,887	$ 512,011
Accounts Receivable - Province of PEI	275,473	604,003
Short-term Investments	65,524	62,967
Inventory of Grain - Corporation - Note 1(c)	232,599	215,856
Sundry Inventory	2,472	4,055
Prepaid Expenses	29,846	28,478
	1,117,801	1,427,370
CAPITAL ASSETS		
Equipment - Notes 1(d), 1(e) and 3	69,234	89,490
	$1,187,035	$1,516,860

LIABILITIES AND EQUITY

	2000	1999
CURRENT LIABILITIES		
Bank Overdraft	$ 486,385	$ 939,505
Accounts Payable - General	82,558	35,692
Accounts Payable - Province of PEI	32,112	46,818
Deferred Revenue	96,850	65,910
Final Payment to be Distributed to Producers	146,130	85,935
	844,035	1,173,860
EQUITY		
Retained Earnings - Statement 2	-	-
Contributed Surplus - Province of PEI	343,000	343,000
	343,000	343,000
	$1,187,035	$1,516,860

(The accompanying notes are an integral part of these financial statements.)

ON BEHALF OF THE BOARD: DIRECTOR ______________________

DIRECTOR ______________________

STATEMENT 2

PRINCE EDWARD ISLAND GRAIN ELEVATORS CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED JULY 31, 2000

	2000	1999
REVENUES:		
Sales	$2,977,598	$3,552,791
Profit on Inter-Related Sales - Note 5	541,757	305,243
Other Income - Note 4	285,284	377,207
Provincial Grant - Operating	105,000	45,000
- Capital	66,362	106,546
- Other	1,333	6,319
	3,977,334	4,393,106
EXPENSES:		
Cost of Non-Pool Inventory Sold	1,234,382	1,089,163
Amortization	30,618	28,296
Bad Debts	17,619	182,859
Board Expense	31,779	43,292
Capital Repairs	66,362	106,546
Electricity and Water	137,419	129,843
General and Other	70,463	85,270
Insurance	13,239	16,239
Interest - Short Term	80,806	92,531
Repairs and Maintenance	62,869	79,004
Salaries and Benefits	507,999	525,177
	2,253,555	2,378,220
NET RESULTS BEFORE DISTRIBUTION	1,723,779	2,014,886
DISTRIBUTION TO PARTICIPANTS - Note 6	1,875,007	2,205,563
NET INCOME (LOSS) ON OPERATIONS	(151,228)	(190,677)
PROVINCIAL APPROPRIATION FOR LOSSES	151,228	513,231
NET INCOME (LOSS) FOR THE PERIOD	-	322,554
RETAINED EARNINGS (DEFICIT) BEGINNING OF YEAR	-	(322,554)
RETAINED EARNINGS (DEFICIT) END OF YEAR	$ -	$ -

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND GRAIN ELEVATORS CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2000

Cash provided by (used for)	2000	1999
OPERATING ACTIVITIES		
Net Income for the year	$ -	$ 322,554
Amount charged against income not requiring an outlay of cash:		
Amortization	30,618	28,296
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	328,654	22,634
(Increase) decrease in inventory	(15,160)	33,611
(Increase) decrease in short-term investments	(2,557)	(16,051)
(Increase) decrease in prepaid expenses	(1,368)	(28,478)
Increase (decrease) in accounts payable	46,252	(22,223)
Increase (decrease) in deferred revenue	30,940	13,021
Increase (decrease) in distribution to producers	60,195	53,052
Net cash provided by operating activities	477,574	406,416
FINANCING ACTIVITIES		
Loan repayments to province	(14,092)	(24,097)
INVESTING ACTIVITIES		
Acquisition of capital assets	(10,362)	(49,281)
Decrease in bank overdraft	453,120	333,038
Bank overdraft at beginning of year	(939,505)	(1,272,543)
Bank overdraft at end of year	$(486,385)	$ (939,505)

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND GRAIN ELEVATORS CORPORATION

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2000

1. Summary of Significant Accounting Policies:

(a) The Corporation operates a pooling program for buying and selling its local grain and protein inventory. During 1999-00 six pools were in operation consisting of a Barley, Oats, Mixed Grain, Wheat, Milling Wheat, and Soybean pool. All pools closed on July 31, 2000.

(b) Specific accounts which have been deemed doubtful have been included in the Allowance for Doubtful Accounts. In addition, one percent of the remaining accounts are included in the allowance.

(c) Inventory is valued at cost which is similar to replacement cost.

(d) Asset purchases less than $5,000 are expensed in the period of purchase.

(e) Amortization is calculated on a straight-line basis over the estimated useful life of the asset.

(f) The Province of PEI provides the elevator facilities to the Corporation at a nominal fee of $1.

2. Accounts Receivable

	2000	1999
Trade	$456,093	$443,868
Less: Allowance for Doubtful Accounts	5,831	6,313
	450,262	437,555
Special Bin	99,817	71,351
Less: Downpayments Held on Deposit	48,562	6,122
	51,255	65,229
Other	10,370	9,227
	$511,887	$512,011

3. Capital Assets

	2000	1999
Equipment (cost)	$369,965	$359,603
Less: Accumulated Amortization	300,731	270,113
	$ 69,234	$ 89,490

PRINCE EDWARD ISLAND GRAIN ELEVATORS CORPORATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JULY 31, 2000

4. Other Income

	2000	1999
Handling and Drying	$139,754	$173,385
Storage Fees	36,925	67,064
Custom Extruding	43,296	31,391
Miscellaneous	5,601	36,778
Interest Revenue	34,292	33,792
Freight	32,275	27,192
Protein	(6,859)	7,605
	$285,284	$377,207

5. Inter-related sales consist of grain sales between the Corporation and the Pools.

Sales:	
Pool Inventory	$541,757
Non-Pool Inventory	80,045
	621,802
Cost of Non-Pool Inventory	80,045
Profit on Inter-Related Sales	$541,757

The payments for pool inventory received from producers are included in the distribution to participants figure in the statement of income and retained earnings.

6. The distribution to participants of pooling operations is as follows:

Initial Payment	$1,558,670
Interim Payment	170,207
Final Payment to be Distributed to Producers	146,130
	$1,875,007

7. Related Party Transactions:

In the current year, four Board members purchased grain from the Corporation at a cost of $75,956 and four Board members sold grain totalling $106,961 to the Corporation. These transactions were entered into in the normal course of business and on the same terms as unrelated parties.

PRINCE EDWARD ISLAND
HOUSING CORPORATION
FINANCIAL STATEMENTS
MARCH 31, 2001

AUDITOR'S REPORT

Hon. James W. Ballem
Minister of Health and Social Services
Province of Prince Edward Island

I have examined the balance sheet of the Prince Edward Island Housing Corporation as at March 31, 2001 and the statement of revenue and expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting disclosed in Note 1 to the financial statements.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
July 17, 2001

STATEMENT 1

PRINCE EDWARD ISLAND HOUSING CORPORATION
BALANCE SHEET
AS AT MARCH 31, 2001
ASSETS

	2001	2000
Current Assets		
Cash	$ 18,200	$ 11,500
Accounts Receivable	234,200	325,800
Deposit Receipts - Note 1(a)	85,400	87,100
	337,800	424,400
Notes Receivable - Note 2	10,746,100	10,607,100
Mortgages Receivable	434,200	574,600
Investment in Properties		
Agreements of Sale - Note 3	32,800	47,100
Land for Resale or Development - Note 4	419,300	474,800
Federal-Provincial Projects - Note 5	6,167,200	6,213,600
Rental Housing Projects - Note 6	45,144,300	46,091,400
	51,763,600	52,826,900
TOTAL ASSETS	$63,281,700	$64,433,000

LIABILITIES AND EQUITY

	2001	2000
Current Liabilities		
Accounts Payable and Accrued Liabilities	$ 2,303,300	$ 2,319,400
Long-Term Liabilities		
CMHC - Note 7	34,494,500	35,372,300
Province of PEI - Note 8	21,425,400	21,672,900
	55,919,900	57,045,200
Reserves		
Co-operative and Social Housing - Note 1(a)	10,700	13,800
Replacement Reserve - Note 1(a)	74,800	71,000
	85,500	84,800
Equity Contributed by the Province of PEI - Note 9	4,973,000	4,983,600
TOTAL LIABILITIES AND EQUITY	$63,281,700	$64,433,000

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 2

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Appropriations from the Province of PEI - Note 10	$5,479,400	$5,596,800
Expenses		
Amortization	969,900	897,300
Interest	4,037,800	4,292,900
Property Taxes	159,400	158,700
Loss on disposal of Land	55,500	-
Grants Issued	256,800	247,900
Total Expenses	5,479,400	5,596,800
Net Result	$ -	$ -

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 3

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2001

Cash provided by (used for)	2001	2000
OPERATING ACTIVITIES		
Net Income	$ -	$ -
Amounts charged against income not requiring an outlay of cash:		
- Amortization of fixed asset	980,500	907,100
- Amortization charged to contributed surplus	(10,600)	(9,800)
(Increase) Decrease in accounts receivable	91,600	153,900
(Increase) Decrease in PDR's	1,700	196,500
Increase (Decrease) in accounts payable	(16,100)	(999,800)
Increase (Decrease) in reserve - accounts payable	700	(11,700)
Net cash provided by operating activities	1,047,800	236,200
INVESTING ACTIVITIES		
(Increase) Decrease in notes receivable	(139,000)	42,200
(Increase) Decrease in mortgages receivable	140,400	143,300
(Increase) Decrease in agreements of sale	14,300	23,500
Proceeds (Costs) from property transactions	13,000	7,000
Loss on disposal of property	55,500	-
Net cash (used for) provided from investing activities	84,200	216,000
FINANCING ACTIVITIES		
Cash payments to reduce long-term debt obligations	(1,125,300)	(801,100)
Loan from Province	-	348,600
Net cash used for financing activities	(1,125,300)	(452,500)
Increase (Decrease) in cash	6,700	(300)
Cash beginning of year	11,500	11,800
Cash end of year	$ 18,200	$ 11,500

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2001

1. **Significant Accounting Policies:**

(a) Trust reserves are set aside for contingencies in co-operative and social housing and are offset by investments in deposit receipts with the Province of PEI.

Replacement reserves are in place on certain rental properties as required by agreements with C.M.H.C. and those funds are also invested in deposit receipts with the Province of PEI.

(b) Amortization on rental properties is equal to the principal reduction in the corresponding long-term indebtedness.

(c) Federal-Provincial project costs are amortized over the life of the Federal-Provincial agreement. Accumulated amortization represents principal reductions to date on the original investment of the Province of PEI.

(d) Long-term liabilities include the current portions of the long-term debt.

2. Notes receivable are comprised of long-term loan funds provided by the Corporation for use by local credit unions in providing real property mortgages in rural areas. The loans are secured by an assignment of book debts and postponement agreements on the mortgage assets of the credit unions.

	2001	2000
Notes Receivable	$10,522,700	$10,365,000
Accrued Interest	223,400	242,100
	$10,746,100	$10,607,100

3. Investments in properties under agreements of sale are recorded at cost less tenants' equity.

	2001	2000
Cost	$ 434,900	$434,900
Tenants' Equity	(402,100)	(387,800)
	$ 32,800	$ 47,100

4. Investment in land for resale or development consists of the following:

	2001	2000
Hillsborough Development		
Developed - at cost	$120,100	$125,400
Undeveloped - at 1986 appraised values	111,000	105,700
Other undeveloped land	188,200	243,700
	$419,300	$474,800

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2001

5. Investments in Federal-Provincial projects are recorded at the Housing Corporation's cost less accumulated amortization and consist of the following:

	2001	2000
Family Housing	$2,248,600	$2,248,600
Senior Citizens Housing	3,930,400	3,930,400
Rural and Native Housing	277,200	294,400
	6,456,200	6,473,400
Less: Accumulated Amortization	289,000	259,800
	$6,167,200	$6,213,600

6. Rental Housing properties are recorded at cost less accumulated amortization and consist of the following:

	2001	2000
Family Housing	$11,809,800	$11,809,800
Senior Citizens Housing	19,131,000	19,131,000
Homes for Special Care	21,371,300	21,371,300
Social Housing	17,900	17,900
	52,330,000	52,330,000
Less: Accumulated Amortization	7,185,700	6,238,600
	$45,144,300	$46,091,400

7. Loans payable to Canada Mortgage and Housing Corporation consist of the following:

	2001	2000
Mortgages Payable	$30,012,400	$30,687,600
Debentures Payable	4,224,200	4,341,500
Loans Payable	257,900	343,200
	$34,494,500	$35,372,300

The above amounts include approximately 100 individual balances at varying interest rates and maturity dates.

8. Long-term liabilities to the Province are made up of approximately 60 loans having varying interest rates and maturity dates.

9. Equity Contributed by the Province of PEI.

Beginning balance - April 1, 2000		$4,983,600
Additions for the year - Manors		3,600
Deductions for the year - Senior Citizens Housing	$6,100	
- Family Housing	8,100	(14,200)
Ending balance - March 31, 2001		$4,973,000

10. Provincial Appropriations

The appropriations from the Province of PEI represent amounts provided for program expenditures incurred directly by the Housing Corporation and do not relate to expenditures on activities administered by the Regional Health Authorities on the Corporation's behalf. Separate appropriations are provided for these Regional programs that are reported in their financial statements. The various revenues earned on Housing Corporation activities are reported in the Province's Public Accounts.

PRINCE EDWARD ISLAND
HUMAN RIGHTS COMMISSION
FINANCIAL STATEMENTS
MARCH 31, 2001

AUDITOR'S REPORT

To the Commissioners of the
Prince Edward Island Human Rights Commission

I have audited the balance sheet of the Prince Edward Island Human Rights Commission as at March 31, 2001 and the statements of revenue, expenditure, and equity and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
April 20, 2001

STATEMENT 1

PRINCE EDWARD ISLAND HUMAN RIGHTS COMMISSION

BALANCE SHEET

AS AT MARCH 31, 2001

	2001	2000
ASSETS		
Cash	$ 3,640	$1,565
Accounts receivable	1,623	-
Prepaids	10,596	4,649
	$15,859	$6,214
LIABILITIES AND EQUITY		
Accounts payable	$ 2,586	$5,084
Surplus (Deficit) - Statement 2	13,273	1,130
	$15,859	$6,214

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE COMMISSION:

COMMISSIONER: ______________________________

COMMISSIONER: ______________________________

STATEMENT 2

PRINCE EDWARD ISLAND HUMAN RIGHTS COMMISSION

STATEMENT OF REVENUE, EXPENDITURE, AND EQUITY

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Revenue		
Province of P.E.I. - Grant	$306,200	$289,200
Miscellaneous	500	-
	306,700	289,200
Expenditure		
Bank charges	36	-
Cleaning	2,874	2,974
Commissioners' honoraria and expenses	15,857	17,700
Furniture and equipment	5,780	6,055
Memberships and conferences	10,152	8,568
Miscellaneous	3,024	1,774
Office materials and supplies	11,033	2,850
Photocopying	10,040	4,808
Rent	17,500	17,500
Salaries and benefits	202,277	216,105
Snow removal	1,645	570
Staff travel	9,077	3,075
Telephone	5,262	6,088
	294,557	288,067
Net income for the year	12,143	1,133
Surplus (Deficit) at beginning of year	1,130	(3)
Surplus (Deficit) at end of year	$ 13,273	$ 1,130

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND HUMAN RIGHTS COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Province of PEI for operations	$306,200	$289,200
Cash received from other sources for operations	500	-
Cash paid for salaries and benefits	(202,277)	(216,675)
Cash paid for materials and services	(102,348)	(73,210)
Net Increase (Decrease) in cash	2,075	(685)
Cash, beginning of year	1,565	2,250
Cash, end of year	$ 3,640	$ 1,565

(The accompanying notes are an integral part of these financial statements)

PRINCE EDWARD ISLAND HUMAN RIGHTS COMMISSION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Purpose of the Organization

The P.E.I. Human Rights Commission is a corporate body which is responsible for administering and enforcing the provincial Human Rights Act. The Commission provides education and public information in the field of human rights. The Commission also inquires into and endeavours to effect a settlement of any complaint of a violation of the Human Rights Act filed with the Commission as prescribed by the Act.

2. Significant Accounting Policies

A) Basis of presentation

These statements were prepared in accordance with Canadian generally accepted accounting principles for non-profit organizations, with office equipment, furniture and computer software expensed in the year purchased.

B) Certain 2000 financial statements figures have been retated to conform with the current year's presentation

3. Funds Disbursed In Trust

During the year the Province of Prince Edward Island paid out $30,956 (2000 - $29,470) to settle political belief complaints. The entire amount was disbursed through the P.E.I. Human Rights Commission to individual complainants or to legal counsel acting on the complainants' behalf.

4. Provincial Appropriations

Legal fees for the year ended March 31, 2001 totalling $3,266 (2000 - $3,018) were paid on the Commission's behalf by the Province of Prince Edward Island through the Office of the Attorney General. These fees are not included in Statement 2.

5. Lease Commitment

The Commission entered into a five-year operating lease for its office premises, covering the period from April 1, 1999 to March 31, 2004. The lease payments are set at $17,500 per annum for each of the five years.

PRICEWATERHOUSECOOPERS

P.E.I. Lending Agency

Financial Statements

March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone +1 (902) 368 3100
Facsimile +1 (902) 566 5074

May 4, 2001

Auditors' Report

To the Board of Directors

We have audited the balance sheet of **P.E.I. Lending Agency** as at March 31, 2001 and the statements of earnings and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

P.E.I. Lending Agency
Balance Sheet
As at March 31, 2001

	2001 $	2000 $
Assets		
Cash	258,886	332,732
Accounts receivable (note 10)	13.284	6,306
Due from Province of Prince Edward Island (note 3)	6,402,326	5,401,540
Loans receivable (note 4)	126,404,676	87,121,859
Leased property (note 5)	2.677.866	5,163,990
Property holdings (note 6)	-	175,133
	135,757,038	98,201,560
Liabilities		
Accounts payable and accrued liabilities (note 10)	283,011	308,715
Due to Province of Prince Edward Island (note 3)	1,724,567	1,629,470
Notes payable (note 7)	133,023.795	95,838,517
	135,031,373	97,776,702
Contingent liabilities (note 8)		
Surplus		
Retained earnings – Beginning of year	424.858	63,865
Excess revenue for the year	300,807	360,993
Retained earnings – End of year	725,665	424,858
	135.757.038	98,201,560

Approved by the Corporation

_______________ Director _______________ Director

P.E.I. Lending Agency

Statement of Earnings

For the year ended March 31, 2001

	2001		2000
	Budgeted (Unaudited) $	**Actual $**	**Actual $**
Revenue			
Grants from Province	786,400	786,400	731,900
Interest from borrowers (note 10)	7,153,300	9,102,645	7,329,649
Interest from deposits	30,000	49,260	39,505
Agricultural leases	503,000	318,817	448,447
Service fees	60,000	174,212	108,083
Post-receivership income	-	36,766	-
	8,532,700	10,468,100	8,657,584
Expenses			
Office supplies and printing	24,600	24,162	21,136
Telecommunications	15,500	11,145	10,599
Rent and occupancy	107,800	104,160	107,783
Meetings and hosted conferences	4,000	3,796	2,895
Computer equipment	10,000	9,996	2,513
Advertising and promotion	3,000	6,215	3,000
Office equipment rentals	9,500	5,546	10,506
Library and subscriptions	1,200	2,368	1,586
Repairs and maintenance	6,000	2,360	3,300
Miscellaneous	1,500	3,239	4,658
Professional services	32,100	49,939	18,624
Salaries and benefits	786,800	782,081	729,864
Travel	31,300	26,909	23,144
Interest (note 10)	6,599,400	7,410,809	6,456,983
Provision for possible losses	900,000	1,724,568	900,000
	8,532,700	10,167,293	8,296,591
Excess revenue for the year	-	300,807	360,993

P.E.I. Lending Agency

Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Operating activities		
Excess revenue for the year	300,807	360,993
Item not affecting working capital		
Increase in due from Province of Prince Edward Island – allowance for possible losses	(1,000,786)	(633,660)
	(699,979)	(272,667)
Net change in non-cash working capital items		
– increase in accounts receivable	(6,978)	(6,306)
– increase (decrease) in accounts payable and accrued liabilities	(25,704)	100,016
– increase in due to Province of Prince Edward Island – current operations	95,097	900,000
	(637,564)	721,043
Financing activities		
Decrease in leased property (net)	2,486,124	703,663
Increase in loans receivable (net)	(39,282,817)	(7,239,083)
Increase in notes payable	57,359,000	29,400,604
Retirement of notes payable	(20,173,722)	(23,567,752)
Decrease in due to Prince Edward Island Business Development Inc.	-	(155,567)
	388,585	(858,135)
Investing activities		
Additions to and purchases of property holdings	(76,867)	(4,883)
Reductions of and proceeds on disposal of property holdings	219,133	21,622
	142,266	16,739
Decrease in cash	(73,846)	(120,353)
Cash – Beginning of year	332,732	453,085
Cash – End of year	258,886	332,732

1 Status of the corporation

P.E.I. Lending Agency is a Crown corporation established by a proclamation of the Lending Agency Act dated December 31, 1998. The Agency's financial results are included in the public accounts of the Province of Prince Edward Island.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles.

a) Due from (to) the Province of Prince Edward Island

i. Current operations

The budgeted provision for possible losses expense is established as part of the normal budget process and is updated to reflect known changes as they become evident during the year. The actual provision for possible losses recorded in the company's accounts is expensed with a corresponding increase recorded in the allowance for possible losses in the balance sheet.

An amount equal to the annual provision for possible losses (expense or recovery) is recorded as an increase in "Due to Province of Prince Edward Island – Current Operations" and a corresponding increase in "Due from Province of Prince Edward Island – Allowance for Possible Losses". The Due to Province of Prince Edward Island is normally repaid to the province on an annual basis.

ii. Allowable for possible losses

An amount equal to the annual provision for possible losses (expense or recovery) is recorded as an amount "Due from the Province of Prince Edward Island – Allowable for Possible Losses" and a corresponding increase in the amount "Due to Province of Prince Edward Island – Current Operations". The "Due from Province of Prince Edward Island – Allowance for Possible Losses" is reduced when a write-off of a foreclosed project is recognized by both P.E.I. Lending Agency and the Province, with notes payable reduced correspondingly.

b) Loans receivable

Working capital loans are issued to qualified lenders and are recorded at cost less an allowance for possible losses. These loans bear interest at the Toronto Dominion Bank prime rate plus 1 ¾% to 2 ¾% and are repayable at the end of each sector's operating season or specific project.

Mortgage loans consist of loans issued to Prince Edward Island enterprises for purposes of acquiring capital assets. These loans are recorded at cost less an allowance for possible losses. These loans are issued at long-term interest rates and are repayable over various terms to a maximum of 20 years with interest rates ranging from 7.5% to 12.25%.

Interest income is recorded on the accrual basis until such time as the loan is classified as impaired. An impaired loan is a loan in arrears in excess of 120 days or where in management's opinion there is no longer reasonable assurance as to the timely collection of the full amount of the principal and interest.

c) Allowance for possible losses

An allowance is maintained which is considered adequate to absorb all credit losses and off-balance sheet items including guarantees. The allowance is deducted from the applicable asset on the balance sheet, except for guarantees. The allowance for guarantees of $50,000 (2000 - $50,000) is included in accounts payable.

The allowance consists of specific and general provisions.

Specific provisions include the accumulated allowances for losses on particular assets required to reduce the book values to estimated realizable amounts. Specific provisions total $5,840,820 (2000 – $4,849,471).

The company reviews its loan portfolios and leased properties on an ongoing basis to assess whether a loan should be classified as impaired, or an allowance or write-off recorded.

A variety of methods are used to determine the amount expected to be recovered from impaired loans and property holdings, including estimated future cash flows and the estimated fair value of the underlying security and value of any collateral security taken.

A general provision of $1,007,773 (2000 – $1,152,069) includes accumulated allowances for losses which are prudential in nature and cannot be specifically identified. The general provision is based on past performance of similar loans, the level of the specific provision, management's judgement, the economic climate and the maturity and financial strength of the investee.

d) Leased property

Leased property represents the cost to acquire agricultural property based on appraised market value at the inception of the lease less an allowance for possible losses. Operating leases are negotiated with the lessee for a maximum of 5 years at a rate of interest tied to commercial lending rates. The lease rates currently range from 7.5% to 11.75%. The lease may be renewed for one five-year term after which time the lessee must repurchase the property.

Lease income is recorded on an accrual basis except for impaired leases. When a lease is in arrears in excess of 120 days, it is classified as impaired and lease income is no longer accrued.

e) Property holdings and amortization

Office furniture and equipment and computer equipment are fully expensed in the year of acquisition. The amount expensed during the year ended March 31, 2001 was $11,607 (2000 – $10,279).

Foreclosed projects are carried at the lower of cost of the impaired asset prior to realization of the related security and the underlying estimated realizable value of the security.

The reduction from cost to estimated realizable value is recorded as an allowance for possible losses.

f) Estimated realizable value of financial instruments

Estimated realizable value (fair value) is subjective in nature requiring a variety of valuation techniques and assumptions. The company's financial instruments are not exchangeable and it is difficult, and often not practical, to determine their estimated realizable value. Where it is possible to estimate realizable value, the company assumes that it will not sell the assets or the liabilities, taking into account only changes in credit risk as credit risk is the main cause of change in the estimated realizable value of the company's financial instruments. Credit risk is defined as the risk that the note holder will fail to discharge an obligation in whole or in part resulting in a financial losses to this company.

g) Management estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

3 Due from (to) the Province of Prince Edward Island

	2001 $	2000 $
Current operations		
Balance – Beginning of year	(1,629,470)	(729,470)
Current year's actual provision for possible losses	(1,724,567)	(900,000)
Repaid to the province	1,629,470	-
Balance – End of year	(1,724,567)	(1,629,470)
Allowance for possible losses		
Balance – Beginning of year	5,401,540	4,767,880
Current year's expense	1,724,567	900,000
	7,126,107	5,667,880
Less: write-offs during the year	723,781	266,340
Balance – End of year	6,402,326	5,401,540

M121

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P.E.I. Lending Agency
Notes to Financial Statements
March 31, 2001

4 Loans receivable

	2001					2000
			Allowance for possible losses			
	Total $	Impaired loans included in total $	General $	Specific $	Net $	Net $
Working capital loans	27,625,643	15,693,707	17,279	4,123,407	23,484,957	20,982,070
Mortgage loans receivable						
Agriculture	7,617,748	980,421	59,790	168,242	7,389,716	6,436,645
New farmer	58,415	-	-	-	58,415	69,431
Tourism	14,431,941	584,636	100,000	171,300	14,160,641	10,148,807
Manufacturing and processing	25,536,020	123,238	70,000	123,238	25,342,782	7,348,944
Fisheries	7,026,263	744,666	-	80,000	6,999,305	5,144,099
Aquaculture	3,129,135	-	-	-	3,129,135	2,480,546
Small business	11,761,304	-	55,000	-	11,706,304	6,300,249
Blueberry	9,169,884	2,891,151	655,704	500,000	8,014,180	5,364,669
Cranberry	583,776	-	-	-	583,776	508,225
Strategic economic development	310,623	310,623	-	150,000	160,623	21,362,742
2000 Hog Program	281,390	-	-	-	281,390	650,371
Aerospace	22,125,276	-	-	-	22,125,276	-
Information Technology	2,835,416	-	-	-	2,835,416	-
Other	505,802	444,672	-	320,000	185,802	325,061
	105,372,993	6,079,407	940,494	1,512,780	102,919,719	66,139,789
	132,998,636	21,773,114	957,773	5,636,187	126,404,676	87,121,859

5 Leased property

	2001					2000
	Total $	Impaired loans included in total $	General provision $	Specific provision $	Net $	Net $
Agricultural leases	2,959,366	634,040	-	281,500	2,677,866	5,163,990

4 Loans receivable

					2001	**2000**
		Impaired loans included in total	**Allowance for possible losses**			
	Total **$**	**$**	**General** **$**	**Specific** **$**	**Net** **$**	**Net** **$**
Working capital loans	27,625,643	15,693,707	17,279	4,123,407	23,484,957	20,982,070
Mortgage loans receivable						
Agriculture	7,617,748	980,421	59,790	168,242	7,389,716	6,436,645
New farmer	58,415	-	-	-	58,415	69,431
Tourism	14,431,941	584,636	100,000	171,300	14,160,641	10,148,807
Manufacturing and processing	25,536,020	123,238	70,000	123,238	25,342,782	7,348,944
Fisheries	7,026,263	744,666	-	80,000	6,999,305	5,144,099
Aquaculture	3,129,135	-	-	-	3,129,135	2,480,546
Small business	11,761,304	-	55,000	-	11,706,304	6,300,249
Blueberry	9,169,884	2,891,151	655,704	500,000	8,014,180	5,364,669
Cranberry	583,776	-	-	-	583,776	508,225
Strategic economic development	310,623	310,623	-	150,000	160,623	21,362,742
2000 Hog Program	281,390	-	-	-	281,390	650,371
Aerospace	22,125,276	-	-	-	22,125,276	-
Information Technology	2,835,416	-	-	-	2,835,416	-
Other	505,802	444,672	-	320,000	185,802	325,061
	105,372,993	6,079,407	940,494	1,512,780	102,919,719	66,139,789
	132,998,636	21,773,114	957,773	5,636,187	126,404,676	87,121,859

5 Leased property

					2001	**2000**
	Total **$**	**Impaired loans included in total** **$**	**General provision** **$**	**Specific provision** **$**	**Net** **$**	**Net** **$**
Agricultural leases	2,959,366	634,040	-	281,500	2,677,866	5,163,990

6 Property holdings

	2001 $	2000 $
Foreclosed projects – land, buildings and equipment held for resale	76,867	219,133
Less: Allowance for possible losses	76,867	44,000
	-	175,133

7 Notes payable

	2001 $	2000 $
Short-term promissory notes	12,125,000	12,527,248
Long-term	120,898,795	83,311,270
	133,023,795	95,838,518

Short-term promissory notes are issued to the Province of Prince Edward Island with interest set monthly based on the Province's short-term lending rate in existence at the first day of the month. These notes are renewed on an ongoing basis with interest payable monthly.

The notes payable – long-term are issued to the Province of Prince Edward Island and have various repayment terms and interest rates ranging from 5.52% to 13.65%.

The aggregate amount of principal payments required in each of the next five years to meet retirement provisions is as indicated below. Certain notes becoming due during the next five years have been assumed to be refinanced under similar terms:

	$
Year ending March 31, 2002	9,312,069
2003	8,942,901
2004	8,367,909
2005	10,057,522
2006	6,277,961

8 Contingent liabilities

As of March 31, 2001, P.E.I. Lending Agency was contingently liable under loan guarantees in the amount of $245,721 (2000 - $324,590) for which P.E.I. Lending Agency has included $50,000 in its allowance for possible losses. This portion of the allowance for possible losses is included in accounts payable.

9 Commitments

The P.E.I. Lending Agency loans approved but not disbursed at March 31, 2001 amount to $12,978,000 (2000 - $42,975,000).

10 Related party transactions

Balance Sheet

Included in accounts receivable is $13,284 (2000 - $6,306) due from the Province of Prince Edward Island.

Included in accounts payable and accrued liabilities is $1,269 (2000 - $60,653) in net loan payments and $167,333 (2000 - $59,853) in accrued interest payable to the Province of Prince Edward Island.

Statement of earnings

Included in expenses is $7,410,809 (2000 - $6,456,983) in interest paid/payable to the Province of Prince Edward Island.

Included in interest income from borrowers is $130 (2000 - $6,851) from Gateway Village Development Inc., a wholly owned subsidiary of a Crown corporation of the Province of Prince Edward Island.

The above transactions were recorded in the normal course of operations and measured on the same terms as transactions with unrelated parties.

11 Operating Lease

The minimum annual lease payments required in each of the next five years under an operating lease expiring March 31, 2005 are as follows:

	$
Year ending March 31, 2001	40,588
2002	40,588
2003	40,588
2004	40,588
2005	40,588

12 Interest rate risk

The following table sets out the assets and liabilities on the earlier of contractual maturity or repricing date. Use of the table to derive information about the Agency's interest rate risk position is limited by the fact that borrowers may choose to terminate their financial instruments at a date earlier than contractual maturity or repricing date. Examples of this include mortgages, which are shown at contractual maturity but which could prepay earlier.

	Within 1 year $	**After 1 year but within 5 years $**	**After 5 years $**	**Not interest rate sensitive $**	**Provision for possible losses $**	**Total $**
Assets						
Cash	258,886	-	-	-	-	258,886
Accounts receivable	-	-	-	13,284	-	13,284
Due from Province of Prince Edward Island	-	-	-	6,402,326	-	6,402,326
Loans receivable	25,908,321	81,088,745	26,001,570	-	(6,593,960)	126,404,676
Leased property	1,233,646	1,725,720	-	-	(281,500)	2,677,866
Property holdings	-	-	-	76,867	(76,867)	-
Total assets	27,400,853	82,814,465	26,001,570	6,492,477	(6,952,327)	135,757,038
Liabilities and surplus						
Accounts payable and accrued liabilities	-	-	-	233,011	50,000	283,011
Due to Province of Prince Edward Island	-	-	-	1,724,567	-	1,724,567
Notes payable	13,062,460	89,769,959	30,191,376	-	-	133,023,795
Surplus	-	-	-	725,665	-	725,665
Total liabilities and surplus	13,062,460	89,769,959	30,191,376	2,683,243	50,000	135,757,038
Interest rate sensitivity gap	14,338,393	(6,955,494)	(4,189,806)	3,809,234	(7,002,327)	-
Cumulative interest rate sensitivity gap	14,338,393	7,382,899	3,193,093	7,002,327	-	-

PRINCE EDWARD ISLAND

LIQUOR CONTROL COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Commissioners of the
Prince Edward Island Liquor Control Commission

I have audited the balance sheet of the Prince Edward Island Liquor Control Commission as at March 31, 2001 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
May 16, 2001

STATEMENT 1

PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

BALANCE SHEET

AS AT MARCH 31, 2001

ASSETS

	2001	2000
CURRENT ASSETS		
Cash	$ 478,123	$1,175,717
Accounts receivable	100,143	196,197
Inventories - Note 1(b)	2,842,947	2,432,000
Prepaid expenses	72,675	48,685
	3,493,888	3,852,599
Capital Assets - Notes 1(a) and 2	3,431,564	3,043,673
	$6,925,452	$6,896,272

LIABILITIES

	2001	2000
CURRENT LIABILITIES		
Accounts payable and accruals - General	$ 792,472	$1,677,395
- Province of P.E.I.	45,672	50,864
Debentures payable - current portion - Note 3	392,724	337,110
Due to the Province with respect to net income - Note 1(c)	2,644,622	1,788,217
	3,875,490	3,853,586
LONG TERM LIABILITIES		
Debentures payable - Note 3	3,049,962	3,042,686
	$6,925,452	$6,896,272

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE COMMISSION:

COMMISSIONER: ________________________________

COMMISSIONER: ________________________________

STATEMENT 2

PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

STATEMENT OF INCOME

FOR THE YEAR ENDED MARCH 31, 2001

		2001		2000
SALES		$60,395,477		$57,910,149
Less: Provincial Health Tax	$10,407,596		$9,997,673	
Provincial Sales Tax	4,418,932		4,240,300	
Federal Goods & Services Tax	3,826,398	18,652,926	3,652,706	17,890,679
NET SALES		41,742,551		40,019,470
COST OF GOODS SOLD		24,305,593		23,170,222
GROSS PROFIT		17,436,958		16,849,248
EXPENSES				
Depreciation	411,248		540,927	
Insurance and taxes	147,364		150,352	
Interest on long-term debt	242,934		133,221	
Other operating expenses	433,201		357,902	
Repairs and maintenance	378,971		284,837	
Rent - Note 4	641,848		517,075	
Salaries and benefits - Note 5	5,406,895		4,902,891	
Store and office expense	296,985		196,256	
Travel	103,888		94,493	
Utilities	428,760	8,492,094	363,544	7,541,500
		8,944,864		9,307,748
OTHER INCOME		1,089,875		1,074,905
NET INCOME - Note 1(c)		$10,034,739		$10,382,653

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 3

PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Cash provided by (used for):		
OPERATING ACTIVITIES		
Net Income for the year	$10,034,739	$10,382,653
Amounts charged against income not requiring an outlay of cash:		
Depreciation and amortization	411,248	540,927
Gain on disposal of capital assets	(19,746)	(3,022)
(Increase) Decrease in accounts receivable	96,054	(95,183)
(Increase) Decrease in inventories	(410,947)	(124,714)
(Increase) Decrease in prepaid expenses	(23,990)	5,965
Increase (Decrease) in accounts payable	(890,115)	1,208,930
Increase (Decrease) in current portion of debentures	55,614	162,762
Net cash provided by operating activities	9,252,857	12,078,318
FINANCING ACTIVITIES		
Cash payments to Provincial Treasury	(9,178,335)	(10,235,859)
Loan from Province	400,000	2,026,145
Obligations for debenture repayment	(392,723)	(337,110)
Net cash used for financing activities	(9,171,058)	(8,546,824)
INVESTING ACTIVITIES		
Acquisition of capital assets	(822,088)	(2,032,319)
Proceeds on disposal of capital assets	42,695	27,200
Net cash used for investing activities	(779,393)	(2,005,119)
Increase (Decrease) in cash	(697,594)	1,526,375
Cash at beginning of year	1,175,717	(350,658)
Cash at end of year	$ 478,123	$ 1,175,717

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Summary of significant accounting policies

(a) Capital Assets
Capital assets are stated at cost less accumulated depreciation and amortization. Depreciation of buildings, furniture and equipment and amortization of leasehold improvements are calculated on a straight-line basis at the rates indicated in Note 2.

(b) Inventories
Inventories are valued at the lower of first-in, first-out cost and net realizable value.

(c) Net Income
All net income of the Commission accrues directly to the Province. Transfers of net income are made to the Operating Fund on a continuing basis as excess cash becomes available.

2. Capital Assets

			2001		2000
	Depreciation Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	Nil	$ 85,537	$ -	$ 85,537	$ 108,487
Buildings	5 %	3,453,303	2,564,810	888,493	512,295
Equipment	10 & 20 %	1,075,490	877,561	197,929	189,834
Vehicles	30 %	102,440	76,963	25,477	56,183
Leasehold Improvements	10 %	2,797,109	859,354	1,937,755	1,903,839
Integrated Business Management System	20 %	1,090,777	794,404	296,373	273,035
		$8,604,656	$5,173,092	$3,431,564	$3,043,673

PRINCE EDWARD ISLAND LIQUOR CONTROL COMMISSION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

MARCH 31, 2001

3. Debentures Payable - Province of Prince Edward Island

	Balance March 31, 2001	Less Current Portion	Long Term Liability
Integrated Business Management System Repayable in equal annual installments of $185,075 including interest @ 9.40% per annum, maturing November 1, 2004.	$ 594,362	$129,204	$ 465,158
Cornwall Repayable in equal annual installments of $35,184 including interest @ 6.75% per annum, maturing December 10, 2006.	169,009	23,776	145,233
Stratford Repayable in equal annual installments of $40,415 including interest @ 7.375% per annum, maturing February 10, 2007.	190,428	26,371	164,057
Borden - Carleton Repayable in equal annual installments of $37,442 including interest @ 5.74% per annum, maturing January 21, 2008.	210,959	25,333	185,626
Kensington Repayable in equal annual installments of $49,143 including interest @ 6.70% per annum, maturing November 8, 2009.	324,307	27,415	296,892
North Rustico Repayable in equal annual installments of $38,936 including interest @ 6.79% per annum, maturing March 24, 2010.	255,959	21,556	234,403
Charlottetown (Oak Tree) Repayable in equal annual installments of $197,398 including interest @6.79% per annum, maturing March 24, 2010.	1,297,662	109,287	1,188,375
Cardigan Repayable in equal annual installments of $55,381 including interest @ 6.40% per annum, maturing February 16, 2011.	400,000	29,782	370,218
	$3,442,686	$392,724	$3,049,962

The total principal repayment for the next five years is as follows:

2002	$ 392,723
2003	422,500
2004	454,601
2005	489,214
2006	341,468
Total	$2,100,506

4. **The Prince Edward Island Liquor Control Commission leases twelve retail outlets which have maturity dates between 2002 and 2016. Future minimum lease payments are as follows:**

Fiscal Years	Amount
2002	$ 521,720
2003	497,852
2004	478,098
2005	401,329
2006	354,187
2007-2016	2,094,425
	$4,347,611

5. Pension Benefits

The employees of the Prince Edward Island Liquor Control Commission are entitled to pension benefits under the terms of their employment. The employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of P.E.I. and are not reflected in the Commission's financial statements.

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Members of the
Prince Edward Island Lotteries Commission

I have examined the balance sheet of the Prince Edward Island Lotteries Commission as at March 31, 2001 and the statement of operations for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
June 6, 2001

STATEMENT 1

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

BALANCE SHEET

MARCH 31, 2001

	2001	2000
ASSETS		
CURRENT ASSETS		
Due from Atlantic Lottery Corporation Inc.	$280,196	$ -
Due from Province of Prince Edward Island	-	399,207
	280,196	399,207
OTHER ASSETS		
Share in Atlantic Lottery Corporation Inc. - at cost	100	100
Share in Interprovincial Lottery Corporation - at cost	1	1
	101	101
	$280,297	$399,308
LIABILITIES		
CURRENT LIABILITIES		
Due to Atlantic Lottery Corporation Inc.	$ -	$399,308
Due to Province of Prince Edward Island	280,297	-
	$280,297	$399,308

(The accompanying note is an integral part of these financial statements.)

SIGNED ON BEHALF OF THE COMMISSION:

STATEMENT 2

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2001

	2001	2000
REVENUE		
Distribution of Atlantic Lottery Corporation Inc. net profit - Note 1	$15,118,209	$12,500,560
EXPENSES - Note 1		
Remittance to Province of Prince Edward Island	14,174,209	12,500,560
Grant to P.E.I. Harness Racing Industry Association	944,000	-
	15,118,209	12,500,560
NET OF REVENUE AND EXPENSES	$ -	$ -

(The accompanying note is an integral part of these financial statements.)

PRINCE EDWARD ISLAND LOTTERIES COMMISSION

NOTE TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Business

The Government of Prince Edward Island operates no lotteries but the Province, through its ownership of the Prince Edward Island Lotteries Commission, is a shareholder in the Atlantic Lottery Corporation Inc. (ALC) and in the Interprovincial Lottery Corporation (ILC). The ALC is jointly owned by the four Atlantic Provinces and is responsible to develop, organize, undertake, conduct and manage lotteries in Atlantic Canada. The ALC also markets and handles regionally the products of the ILC, which is jointly owned by the ten Canadian provinces. Investments in the ALC and in the ILC are carried at cost.

Net profits of the ALC, including the ILC operating results, are distributed monthly to the shareholders. Operational costs attributable to all provinces are subtracted from total revenues. The remaining profits are allocated to the individual provinces on the basis of each province's portion of net sales. Expenses separable and specific to each individual province are then subtracted and each province's balance is paid out. Profits received by the Commission from the ALC are remitted to the Province of Prince Edward Island.

Prior to April 1, 2000, the ALC provided assistance to the Maritime Provinces' harness racing industry and such expenditures were included in the ALC expenses specific to each province. The ALC's role in the harness racing industry came to an end March 31, 2000. In response to the ALC's discontinued participation in the harness racing industry, during the year ended March 31, 2001 the Commissionprovided the industry $944,000 in assistance from its lotteries revenue. The Commission's share of ALC profit before harness racing industry expenditures was $13,972,263 for the comparative year ended March 31, 2000.

M.L.A. PENSION FUND

OF PRINCE EDWARD ISLAND

(OLD PLAN)

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

Honourable Patricia J. Mella
Provincial Treasurer
Province of Prince Edward Island

I have audited the statement of net assets available for benefits of the M.L.A. Pension Fund of Prince Edward Island as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Fund's administrative personnel. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
August 27, 2001

STATEMENT 1

M.L.A. PENSION FUND

OF PRINCE EDWARD ISLAND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31, 2001

	2001	2000
ASSETS		
Cash	$ 21,335	$ 20,790
Accounts Receivable	2,934	15,751
Investments - Notes 2(b) and 3	20,197,385	20,695,707
TOTAL ASSETS	20,221,654	20,732,248
LIABILITIES		
Accounts Payable	50,319	16,958
NET ASSETS AVAILABLE FOR BENEFITS - STATEMENT 2	$20,171,335	$20,715,290

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 2

M.L.A. PENSION FUND

OF PRINCE EDWARD ISLAND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
INCREASE IN ASSETS		
Investment Income		
Interest	$ 545,741	$ 709,708
Dividends	390,109	104,489
	935,850	814,197
Market Value Increase	-	1,640,574
TOTAL INCREASE IN ASSETS	935,850	2,454,771
DECREASE IN ASSETS		
Administrative Expenses	108,563	61,545
Benefits Paid	1,089,185	1,012,861
	1,197,748	1,074,406
Market Value Decrease	282,057	-
TOTAL DECREASE IN ASSETS	1,479,805	1,074,406
INCREASE (DECREASE) IN NET ASSETS	(543,955)	1,380,365
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	20,715,290	19,334,925
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$20,171,335	$20,715,290

(The accompanying notes are an integral part of these financial statements.)

M.L.A. PENSION FUND

OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

The following description of the M.L.A. Pension Fund is a summary only. For more complete information, reference should be made to the various Acts mentioned below.

a) General

The M.L.A. Pension Fund is a contributory defined benefit plan for Members of the Legislative Assembly of Prince Edward Island who held office prior to July 1, 1994.

Section 20(3) of the former Legislature and Executive Pensions Act stated that the pension scheme established by the Act shall be wound up with effect from June 30, 1994, with such arrangements as considered appropriate for the transition from the pension scheme established by the Act to the pension scheme in replacement of it. The Fund's investments are still being held by the investment custodian and benefits accrued to June 30, 1994 continue to be paid out of the Fund.

A May 19, 1994 amendment to the Legislative Assembly Act provides for an Indemnities and Allowances Commission to review and determine the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, Speaker, Deputy Speaker, Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip and Opposition Whip. A new Pension Plan for Members of the Legislative Assembly of Prince Edward Island was established by the Commission, effective as of July 1, 1994.

b) Pensions

Any Member is entitled to a pension upon ceasing to be a Member or upon attaining the age of 50 years, whichever is later.

Annual Members' pensions are equal to the lesser of 75% of contributions and the average annual indemnity during the last five years of service. Annual Ministers' pensions are equal to the lesser of 75% of contributions as a Minister or one half of the highest annual salary as a Minister.

Pensions are adjusted annually by an amount equal to the percentage increase in the Consumer Price Index for the previous year, less 2%, to a maximum of 8%.

c) Survivors' Benefits

A pension is payable to a surviving spouse upon the death of a Member or former Member who would have been eligible to receive a pension upon attaining the age of 50 years or who had five or more years of pensionable service. Allowances are also provided for dependent children.

d) Death Refunds

A death refund is payable to the estate of a Member where the Member was not eligible for a pension.

e) Withdrawal Refunds

Any person ceasing to be a Member who is entitled to receive a pension at age 50 may elect to either receive an annual pension deferred to age 50 or receive a refund of contributions, together with interest thereon at the rate of 6.5% compounded annually.

f) Disability Pension

Any Member who is entitled to a pension or who is elected to two General Assemblies and who has attended five sessions is entitled to an immediate pension in the event of permanent infirmity.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These financial statements present the aggregate financial position of the Fund as a separate financial reporting entity independent of the Province of Prince Edward Island and the Fund members. They are prepared to assist in reviewing the activities of the Fund for the fiscal period but do not portray the funding requirements of the Fund or the benefit security of individual Members.

b) Investments are stated at market value, with the exception of real estate investments which are valued at cost, as reported by the custodian of the Master Trust.

3. Investments

The investments of the Civil Service Superannuation Fund, the M.L.A. Pension Fund, the Pension Plan for Members of the Legislative Assembly of Prince Edward Island, and the Teachers' Superannuation Fund are consolidated into the Province of Prince Edward Island Master Trust. Each of these funds holds units in the Master Trust. As of March 31, 2001 there were 602,064.278 units held in the Master Trust, of which the M.L.A. Pension Fund held the following:

Number of units held	17,907.576
Market value per unit	$ 1,127.87
Market value of units held	$20,197,385

M.L.A. PENSION FUND

OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS (continued)

MARCH 31, 2001

Investments of the Master Trust as of March 31, 2001 are as follows:

Canadian T-bills	$ 18,244,082
Other liquid assets	799,018
Bonds, debentures and notes	248,274,455
Canadian equity securities	272,939,161
Foreign equity securities	127,669,498
Accrued income receivable	4,772,216
Real estate	6,350,733
	$679,049,163

The investments totalling $679,049,163 include amounts which the five Master Trust fund managers have invested in their own pooled funds. The March 31, 2001 market values of these related parties investments are as follows:

Sceptre Investment Counsel Limited	$ 56,864,598
Beutel, Goodman & Company Ltd.	26,165,685
McLean Budden Limited	41,991,281
Newcastle Capital Management Inc.	40,000,963
Templeton Management Limited	45,314,437
	$210,336,964

4. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method pro rated on service and best estimate assumptions. An actuarial valuation made as of April 1, 2000 by Morneau Sobeco, a firm of consulting actuaries, indicates a $7,627,590 actuarial surplus. This valuation and the principal components of changes from the previous actuarial valuation as of April 1, 1997 were as follows:

Actuarial present value of accrued pension benefits - April 1, 1997	$14,354,700
Changes in actuarial assumptions	(394,000)
Interest accrued on benefits	3,471,539
Experience loss (gain)	(1,351,105)
Benefits paid and refunds	(2,993,434)
Actuarial present value of accrued pension benefits - April 1, 2000	$13,087,700

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term market conditions. Significant long term actuarial assumptions used in the valuation were:

Asset rate of return	7.9% per annum
Cost of living increase on pensions	1.5% per annum

As of March 31, 2001, the estimated actuarial surplus is $7,181,935.

PENSION PLAN FOR MEMBERS
OF THE LEGISLATIVE ASSEMBLY
OF PRINCE EDWARD ISLAND
(NEW PLAN)
FINANCIAL STATEMENTS
MARCH 31, 2001

AUDITOR'S REPORT

Honourable Patricia J. Mella
Provincial Treasurer
Province of Prince Edward Island

I have audited the statement of net assets available for benefits of the Pension Plan for Members of the Legislative Assembly of Prince Edward Island as at March 31, 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's administrative personnel. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
August 27, 2001

STATEMENT 1

PENSION PLAN FOR MEMBERS
OF THE LEGISLATIVE ASSEMBLY
OF PRINCE EDWARD ISLAND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

AS AT MARCH 31, 2001

	2001	2000
ASSETS		
Cash	$ 55,777	$ 140,905
Receivables		
Contributions - Members	2,188	1,675
Contributions - Province of P.E.I.	2,188	1,675
Other	89	-
	4,465	3,350
Investments - Notes 2(b) and 3	1,354,300	1,053,799
TOTAL ASSETS	1,414,542	1,198,054
LIABILITIES		
Accounts Payable	3,355	17,075
NET ASSETS AVAILABLE FOR BENEFITS - STATEMENT 2	$1,411,187	$1,180,979

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 2

PENSION PLAN FOR MEMBERS OF THE LEGISLATIVE ASSEMBLY OF PRINCE EDWARD ISLAND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
INCREASE IN ASSETS		
Investment Income		
Interest	$ 35,662	$ 35,278
Dividends	23,072	4,833
	58,734	40,111
Market Value Increase	-	72,795
Contributions - Note 1(a)		
By Members	112,595	110,907
By Province of P.E.I.	112,595	110,907
	225,190	221,814
TOTAL INCREASE IN ASSETS	283,924	334,720
DECREASE IN ASSETS		
Administrative Expenses	5,040	3,420
Benefits Paid	22,548	6,928
	27,588	10,348
Market Value Decrease	26,128	-
TOTAL DECREASE IN ASSETS	53,716	10,348
INCREASE IN NET ASSETS	230,208	324,372
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	1,180,979	856,607
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$1,411,187	$1,180,979

(The accompanying notes are an integral part of these financial statements.)

PENSION PLAN FOR MEMBERS

OF THE LEGISLATIVE ASSEMBLY

OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Description of Plan

The following description of the Pension Plan for Members of the Legislative Assembly of Prince Edward Island is a summary only. For more complete information, reference should be made to the Full Plan Text.

a) General

The Pension Plan for Members of the Legislative Assembly is a contributory defined benefit plan for Members of the Legislative Assembly of Prince Edward Island holding office after June 30, 1994.

The Legislative Assembly Act provides for an Indemnities and Allowances Commission to review and determine the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, Speaker, Deputy Speaker, Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip and Opposition Whip. This new Plan was established by the Commission, effective as of July 1, 1994.

Participants' contributions are set at 8% of remuneration, excluding allowances. The Province of Prince Edward Island is required to provide whatever level of funding is required, as determined by the Plan's actuary.

b) Pension Benefits

The normal retirement date for any participant is the date of attaining the age of 60 years, or on which the participant's age plus years of continuous service after June 30, 1994 equals 80 years, whichever is earlier. Participants who elect to retire early may receive a reduced pension upon attaining the age of 50 years.

Pensions for participants who retired prior to April 1, 2001 are calculated as follows:

(i) Monthly Members' pensions are equal to 2% of the average monthly indemnity received as a Member, excluding allowances, during the 36 consecutive calendar months, or less if there are less than 36 months, which produce the greatest average, multiplied by the number of years of continuous service as a Member after June 30, 1994.

(ii) Monthly Ministers' pensions are equal to 2% of the average monthly salary received as a Minister during the 36 consecutive calendar months, or less if there are less than 36 months, which produce the greatest average, multiplied by the number of years of continuous service as a Minister after June 30, 1994. The definition of Minister includes non-Ministerial service to the executive branch of government in addition to service as a Member.

PENSION PLAN FOR MEMBERS

OF THE LEGISLATIVE ASSEMBLY

OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS (continued)

MARCH 31, 2001

On June 28, 2001 the Indemnities and Allowances Commission approved a new plan design which provides for annual pensions for participants who retire on or after April 1, 2001 to be calculated as follows:

(i) two percent of:

(a) the average annual indemnity received as Member during the three years ended March 31, 2001, or less if there is less than three years of service during this period, multiplied by the number of years service as a Member during the period from June 30, 1994 to March 31, 2001, plus

(b) the average annual salary received as a Minister (includes salary received for non-Ministerial service to the executive branch of government in addition to service as a Member) during the three years ended March 31, 2001, or less if there is less than three years of service during this period, multiplied by the number of years of such service during the period from June 30, 1994 to March 31, 2001, plus

(ii) twenty-five percent of the required contributions made by the participants commencing April 1, 2001, indexed annually by the percentage increase in the Consumer Price Index, subject to a maximum increase of 8% per annum.

Pensions are increased annually by an amount equal to the percentage increase in the Consumer Price Index since the last previous increase was granted, less 2% per annum, to a maximum of 8% per annum.

c) Death Benefits

Reduced benefits are payable to a surviving spouse or any dependent children upon the death of a participant.

In the event of the pre-retirement death of a participant having no surviving spouse or dependent children, an amount equal to the actuarial present value of the earned pension will be paid in a cash lump sum to the designated beneficiary or to the participant's estate.

d) Termination of Service Benefits

Any participant ceasing to be a Member of the Legislative Assembly prior to retirement or death may elect to leave the pension in the Plan or transfer the value of the pension to another prescribed retirement savings or pension plan.

PENSION PLAN FOR MEMBERS
OF THE LEGISLATIVE ASSEMBLY
OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS (continued)

MARCH 31, 2001

e) Fifty Percent Maximum Employee Cost Rule

The amount, if any, by which a participant's required contributions plus interest exceeds 50% of the actuarial present value of accrued pension benefits is refundable to the participant on the earliest of (i) retirement; (ii) termination; (iii) death; or (iv) termination of the Plan.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

These financial statements present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Province of Prince Edward Island and the Plan participants. They are prepared to assist in reviewing the activities of the Plan for the fiscal period but do not portray the funding requirements of the Plan or the benefit security of individual participants.

b) Investments are stated at market value, with the exception of real estate investments which are valued at cost, as reported by the custodian of the Master Trust.

3. Investments

Investments as of March 31, 2001 consist of the following:

Investment in Province of Prince Edward Island Master Trust	$1,319,297
Cash held for investment	35,003
	$1,354,300

The investments of the Civil Service Superannuation Fund, the M.L.A. Pension Fund, the Pension Plan for Members of the Legislative Assembly of Prince Edward Island, and the Teachers' Superannuation Fund are consolidated into the Province of Prince Edward Island Master Trust. Each of these funds holds units in the Master Trust. As of March 31, 2001 there were 602,064.278 units held in the Master Trust, of which the Pension Plan for Members of the Legislative Assembly of Prince Edward Island held the following:

Number of units held	1,169.726
Market value per unit	$ 1,127.87
Market value of units held	$1,319,297

PENSION PLAN FOR MEMBERS

OF THE LEGISLATIVE ASSEMBLY

OF PRINCE EDWARD ISLAND

NOTES TO FINANCIAL STATEMENTS (continued)

MARCH 31, 2001

Investments of the Master Trust as of March 31, 2001 are as follows:

Canadian T-bills	$ 18,244,082
Other liquid assets	799,018
Bonds, debentures and notes	248,274,455
Canadian equity securities	272,939,161
Foreign equity securities	127,669,498
Accrued income receivable	4,772,216
Real estate	6,350,733
	$679,049,163

The investments totalling $679,049,163 include amounts which the five Master Trust fund managers have invested in their own pooled funds. The March 31, 2001 market values of these related parties investments are as follows:

Sceptre Investment Counsel Limited	$ 56,864,598
Beutel, Goodman & Company Ltd.	26,165,685
McLean Budden Limited	41,991,281
Newcastle Capital Management Inc.	40,000,963
Templeton Management Limited	45,314,437
	$210,336,964

4. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method pro rated on service and best estimate assumptions. An actuarial valuation made as of April 1, 2000 by Morneau Sobeco, a firm of consulting actuaries, indicates a $25,021 unfunded liability. This valuation and the principal components of changes from the previous actuarial valuation as of April 1, 1997 were as follows:

Actuarial present value of accrued pension benefits - April 1, 1997	$ 359,300
Changes in nature of the plan	117,000
Changes in actuarial assumptions	(56,400)
Data correction	90,800
Interest accrued on benefits	167,785
Experience loss (gain)	(79,644)
Benefits accrued	674,000
Benefits paid and refunds	(66,841)
Actuarial present value of accrued pension benefits - April 1, 2000	$1,206,000

The assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long term market conditions. Significant long term actuarial assumptions used in the valuation were:

Asset rate of return	7.9% per annum
Cost of living increase on pensions	1.5% per annum
Remuneration escalation rate	4.5% per annum

As of March 31, 2001, the estimated actuarial unfunded liability is $107,213.

5. Supplementary Plan

These financial statements do not include the financial activities of a supplementary non-registered pension plan for MLAs holding office after June 30, 1994, which is financed entirely by the Province of Prince Edward Island, without contributions from MLAs.

An actuarial valuation made as of April 1, 2000 by Morneau Sobeco, a firm of consulting actuaries, indicates a $1,598,700 unfunded liability. Supplementary plan benefits paid during the year ended March 31, 2001 totalled $47,816. The estimated unfunded liability is $1,956,000 as of March 31, 2001.

PRINCE EDWARD ISLAND

MUSEUM AND HERITAGE FOUNDATION

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To The Board of Governors of the
Prince Edward Island Museum and Heritage Foundation

I have audited the balance sheet of the Prince Edward Island Museum and Heritage Foundation as at March 31, 2001 and the statements of operations and changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
July 05, 2001

STATEMENT 1

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
BALANCE SHEET
AS AT MARCH 31, 2001

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	2001 Total	2000 Total
ASSETS							
Current							
Cash	$ 97,635	$ 20,987	$ 6,506	$ -	$ 5,597	$130,725	$ 66,990
Accounts Receivable							
- General	32,065	-	1,716	791	200	34,772	39,558
- Province of PEI	3,750	-	-	-	-	3,750	45,000
Amounts Due Between Funds - (Note 9)	(19,273)	-	39	255	18,979	-	-
Inventory - (Notes 2 & 5)	90,020	-	-	-	-	90,020	52,409
	204,197	20,987	8,261	1,046	24,776	259,267	203,957
Long Term							
Investments (Notes 2 & 10)	17	83,248	403,628	15,932	5,014	507,839	420,751
Land, Buildings and Equipment (Notes 2 & 7)	64,095	-	-	-	-	64,095	75,709
Artifacts (Note 2)	1	-	-	-	-	1	1
	64,113	83,248	403,628	15,932	5,014	571,935	496,461
	$268,310	$104,235	$411,889	$16,978	$29,790	$831,202	$700,418
LIABILITIES AND FUND BALANCES							
Current							
Accounts Payable							
- General	$ 61,023	$ -	$ -	$ -	$ -	$ 61,023	$ 43,515
- Province of PEI	77,254	-	-	-	-	77,254	116,759
Deferred revenue	45,792	-	-	-	-	45,792	43,357
	184,069	-	-	-	-	184,069	203,631
Fund Balances - Statement 2							
Invested in Capital Assets	64,096	-	-	-	-	64,096	75,710
Externally Restricted (Note 4)	-	104,235	411,889	-	-	516,124	364,813
Internally Restricted	-	-	-	16,978	29,790	46,768	34,562
Unrestricted	20,145	-	-	-	-	20,145	21,702
	84,241	104,235	411,889	16,978	29,790	647,133	496,787
	$268,310	$104,235	$411,889	$16,978	$29,790	$831,202	$700,418

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

DIRECTOR: ______________________________

DIRECTOR: ______________________________

STATEMENT 2

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 2001

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	Millennial Gift Fund	2001 Total	2000 Total
REVENUE								
Provincial Grants (Note 6)	$ 800,924	$ -	$ -	$ -	$ -	$ -	$ 800,924	$ 633,906
Federal Grants (Note 11)	121,525	-	-	-	-	-	121,525	108,897
Memberships and Donations	45,469	100,000	50	255	-	65,971	211,745	106,337
Admissions and House Events	156,592	-	-	-	-	-	156,592	165,163
Publishing Sales	24,145	-	-	-	-	60,744	84,889	33,842
Investment Income	3,095	4,235	28,561	749	1,478	46	38,164	32,220
Other	104,385	-	-	-	-	-	104,385	68,625
	1,256,135	104,235	28,611	1,004	1,478	126,761	1,518,224	1,148,990
EXPENDITURE								
Artifact Collection and Equipment	5,712	-	-	-	-	-	5,712	11,564
Amortization	11,614	-	-	-	-	-	11,614	14,038
Federal Projects (Note 11)	113,637	-	-	-	-	-	113,637	82,550
Insurance, Taxes and Interest	19,028	-	-	-	-	-	19,028	18,580
Office and General	122,922	-	-	-	-	-	122,922	116,895
Public Programme	62,206	-	-	-	-	-	62,206	25,395
Publishing	(6,060)	-	13,000	-	-	47,560	54,500	21,640
Repairs and Maintenance	107,643	-	7,000	-	-	-	114,643	77,578
Travel	6,781	-	-	-	-	-	6,781	8,315
Utilities	55,941	-	-	-	-	-	55,941	44,290
Wages and Employee Benefits (Note 8)	785,332	-	-	-	-	15,562	800,894	770,209
	1,284,756	-	20,000	-	-	63,122	1,367,878	1,191,054
Net Income (Loss) for the Year	(28,621)	104,235	8,611	1,004	1,478	63,639	150,346	(42,064)
Fund Balance, Beginning of Year	97,412	-	405,528	15,974	28,312	(50,439)	496,787	538,851
Transfer Between Funds	15,450	-	(2,250)	-	-	(13,200)	-	-
Fund Balance, End of Year	$ 84,241	$104,235	$411,889	$16,978	$29,790	$ -	$ 647,133	$ 496,787

(The accompanying notes are an integral part of these financial statements.)

STATEMENT 3

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2001

	Operating Fund	Jaynes Trust Fund	Endowment Trust Fund	Orwell Trust Fund	Publishing Trust Fund	Millennial Gift Fund	Total 2001	Total 2000
SOURCES OF CASH								
Provincial Grants	$ 827,079	$ -	$ -	$ -	$ -	$ -	$ 827,079	$ 612,000
Federal Grants	147,154	-	-	-	-	-	147,154	125,652
Memberships and Donations	46,261	100,000	50	255	-	65,971	212,537	106,337
Operating Activities	283,801	-	-	-	-	60,744	344,545	256,717
Investment Income	3,095	4,235	28,959	430	1,310	46	38,075	34,039
	1,307,390	104,235	29,009	685	1,310	126,761	1,569,390	1,134,745
USES OF CASH								
Investment (Increase) Decrease	-	(83,248)	(3,667)	(430)	255	-	(87,090)	(23,958)
Inventory Increase	(37,610)	-	-	-	-	-	(37,610)	(12,510)
Salaries	(826,367)	-	-	-	-	(15,562)	(841,929)	(736,754)
Other Operating Costs	(471,466)	-	(20,000)	-	-	(47,560)	(539,026)	(397,333)
	(1,335,443)	(83,248)	(23,667)	(430)	255	(63,122)	(1,505,655)	(1,170,555)
Cash from Operations and Investment	(28,053)	20,987	5,342	255	1,565	63,639	63,735	(35,810)
Cash Flows on Interfund Transactions	73,601	-	(2,300)	(255)	4,021	(75,067)	-	-
Balance, Beginning of Year	52,087	-	3,464	-	11	11,428	66,990	102,800
Balance, End of Year	$ 97,635	$ 20,987	$ 6,506	$ -	$5,597	$ -	$ 130,725	$ 66,990

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2001

1. Purpose of the Organization

The Prince Edward Island Museum and Heritage Foundation is a registered charitable corporation whose purpose is to study, collect, preserve, interpret and protect the human and natural heritage of Prince Edward Island for the use, benefit and enjoyment of the people of the Province.

2. Significant Accounting Policies

a) Fund Accounting

The Operating Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Endowment Trust Fund was established to support and enhance the effort in the preservation and development of the Province's historic resources. The Endowment Fund reports resources contributed for endowment and the income earned on its investments. Expenditures from income of the Endowment Trust Fund are subject to approval of the Fund's trustees. Expenditures of the Fund's capital may be made with the approval of the Lieutenant Governor-in-Council.

The Publishing Trust Fund was established to finance publishing projects through loans to the Operating Fund. Money from the fund may be loaned to finance projects recommended by the Board's Publishing Committee and approved by the Board of Directors. Loans bear interest at the prevailing prime rate.

The Orwell Trust Fund was established to assure the recognition of the efforts of Orwell Corner Historical Site in becoming a financially viable operation. The Fund's resources are used to make improvements and enhancements to the historical site.

The Robert and Mildred Jaynes Trust was established to support the acquisition of property for the purpose of imposing restrictive covenants protecting historical, architectural, natural or cultural importance. Properties once protected will be offered for sale and proceeds returned to the Trust. Control of expenditures is governed by a Board of Trustees.

b) Amortization is calculated on the straight-line basis at the following rates:

Buildings	4%
Equipment	20%
Inventory	20%

Fully amortized equipment will be carried on the balance sheet at a nominal value of $1.

c) The capitalization policy is to capitalize all additions greater than $5000.

d) Property acquired as a result of a bequest of the late Julian Jaynes has not been capitalized as it is not used in ongoing operations.

e) Artifacts are recorded on the balance sheet at a nominal value of $1. Due to the nature of these items the historical and intrinsic value is not readily measurable.

f) Inventory has been valued at the lower of cost and net realizable value. Books published by the Foundation are amortized by the straight-line method to determine net realizable value.

g) The value of donated materials and services is not reflected in the financial statements.

h) Investments are valued using the cost method. Interest revenue is recognized on strip bonds based on stated yield rates at purchase and cost is adjusted as income is recognized. For other investments interest revenue is recognized on an accrual basis and recorded cost represents the initial acquisition cost.

3. Terminated Funds

The Board of Directors decided to eliminate the Heritage Savings Fund by transferring the Fund assets to the Endowment Trust Fund. The financial statements reflect this combination.

The Millennial Gift Fund was established to prepare a narrative history of Prince Edward Island during the Twentieth Century. Effective March 31, 2001, the Millennial Gift Fund has been wound up with the equity and asset balances being transferred to the operating fund. The Statement of Operations and Changes in Fund Balances reflects the activity of the Millennial Gift Fund for the March 31, 2001 year.

4. Externally Restricted Funds

(a) Robert and Mildred Jaynes Trust Fund

As a result of a bequest of the late Julian Jaynes the Foundation acquired land and building situated in Stratford and the Robert and Mildred Jaynes Trust Fund of $100,000 was established. The land and building have been leased in exchange for maintenance and insurance coverages on the property.

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2001

The Robert and Mildred Jaynes Trust Fund is administered by three trustees:

- The Minister of the Government of Prince Edward Island responsible for the Museum Act
- The Chairman of the Board of Governors of the Museum
- Mrs. Robert (Mildred) Jaynes, the Settler, and after her;
- The serving PEI Governor of the Heritage Canada Foundation

The trustees may use the principle and income of the fund to support Museum activity of acquiring property for the purpose of imposing restrictive covenants and offering protected properties for sale with proceeds being returned to the Trust. The trustees may also make loans to the Board of Governors of the PEI Museum and Heritage Foundation on such terms and conditions as the Trustees determine.

(b) Endowment Trust Fund

The Endowment Trust Fund is administered by three trustees:
- The Provincial Treasurer of PEI
- The Chief Justice of the Supreme Court of PEI
- The Chairman of the Board of Directors of the PEI Museum and Heritage Foundation.

Normally only the income from investments is expended. Expenditures are to be used on specific projects which are within the aims and objectives of the Foundation.

5. Inventory

	2001	2000
Publishing Inventory		
Original cost	215,267	$175,950
Accumulated amortization	(146,465)	(142,198)
Inventory value	68,802	33,752
Giftshop/Book Inventory - at cost	21,218	18,657
	$ 90,020	$ 52,409

6. Provincial Grants

The Provincial Grants amount of $800,924 includes an operating grant of $744,000, an amount of $17,594 which was recorded as deferred revenue in 2000, and French Services Claim revenue of $39,330.

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2001

7. Land, Buildings and Equipment

The recorded values of land and buildings represent those purchased and donated. Those purchased are recorded at cost and those donated are recorded at appraised value at the time of donation.

	2001			2000
	Recorded Value	Accumulated Amortization	Net Book Value	Net Book Value
Land				
Beaconsfield	$ 9,108	$ -	$ 9,108	$ 9,108
Warehouse	12,500	-	12,500	12,500
	21,608	-	21,608	21,608
Buildings				
Beaconsfield	104,216	104,216	-	2,240
Warehouse	234,343	191,857	42,486	51,860
Elmira Station	15,433	15,433	-	-
	353,992	311,506	42,486	54,100
Equipment	1	-	1	1
	$375,601	$311,506	$64,095	$75,709

8. Wages and Employee Benefits

The employees of the Foundation are entitled to pension and severance and retirement benefits under the terms of their employment. The employer's cost of the benefits plus any additional future actuarial liabilities are assumed by the Province of PEI and are not reflected in the Foundation's financial statements.

During 2000-2001, the Foundation had funding for 343 weeks of employment at various historical sites from the Employment Development Agency. The employees are hired and wages are paid by the Prince Edward Island Employment Development Agency. The total wages and benefits paid to these employees during 2000-2001 was $85,165 and are not reflected in the financial statements of the Foundation.

9. Amounts Due Between Funds

At March 31, 2001 amounts due from the Operating Fund to the Publishing Fund includes a loan balance plus accrued interest of 5% totalling $18,979.

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2001

10. Investments

	2001		2000
	Net Book Value	Market Value	Net Book Value
Operating Fund			
Souris Credit Union Shares	$ 12	$ 12	$ 12
Evangeline Credit Union Shares	5	5	5
	17	17	17
Endowment Trust Fund			
Bonds:			
Province of PEI Bonds, 10 3/4%, maturing Feb. 16, 2001	-	-	30,000
Province of Ontario Bond, 7 3/4%, maturing Dec. 18, 2003	38,360	43,688	38,360
Province of Ontario Coupon, 9%, maturing Sept. 15, 2004	39,355	44,935	39,355
General Motors Acceptance Corporation 5.5% Medium Term Note due June 20, 2005	40,094	39,535	40,116
Strip Bonds:			
Province of New Brunswick, yield 5.37%, maturing Dec. 13, 2000	-	-	19,284
Government of Canada Coupon F36, yield 7.76%, maturing Feb. 1, 2001	-	-	49,680
Province of PEI Coupon, yield 8.56%, maturing Sept. 19, 2002	39,009	40,977	35,933
Government of Canada Bond, yield 7.91%, maturing Dec. 1, 2003	35,910	38,553	33,278
Province of Nova Scotia Coupon, yield 7.08%, maturing Dec. 1, 2005	42,895	45,338	40,058
Sentinel Canada Prin. Ser.1, yield 5.87%, maturing Oct. 1, 2006	20,302	20,548	19,177
Province of Ontario Coupon, yield 5.06%, maturing Dec. 2, 2007	22,439	21,543	21,358
Province of Ontario Coupon, yield 5.17%, maturing Dec 2, 2008	20,778	19,679	19,757
Province of Saskatchewan, yield 6.3%, maturing Jan. 18, 2010	14,462	14,523	13,605
Equity Investments:			
2175 Units Sovereign Cdn Equity Pool	40,011	35,828	-
1720 Units Sovereign US Equity Pool	30,008	27,169	-
1240 Units Sovereign Overseas Equity Pool	20,005	18,773	-
	403,628	411,089	399,961

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2001

10. Investments (continued...)

	2001		2000
	Net Book Value	Market Value	Net Book Value
Orwell Trust Fund			
Province of PEI Deposit Receipts	5,453	5,453	5,453
Royal Bank GIC, 4.45% maturing June 11, 2001	10,479	10,479	10,050
	15,932	15,932	15,503
Publishing Trust Fund			
Government of Canada Coupon, yield 5.9%, maturing March 3, 2001	-	-	5,270
Government of Canada Coupon, yield 5.8% maturing March 15, 2002	5,014	5,274	-
	5,014	5,274	5,270
Robert & Mildred Jaynes Trust			
Bonds:			
Province of Alberta Euro Bonds, yield 5.84% maturing November 29, 2002	20,794	21,117	-
Province of British Columbia Bond, yield 6.00% maturing June 21, 2004	20,814	19,999	-
Province of British Columbia Bond, yield 5.99% maturing July 29, 2006	20,814	20,000	-
Province of Saskatchewan Bond, yield 6.08% maturing October 10, 2008	20,826	20,001	-
	83,248	81,117	-
	$507,839	$513,429	$420,751

PRINCE EDWARD ISLAND MUSEUM AND HERITAGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS (Continued)
MARCH 31, 2001

11. Federal Government Revenue and Expenditures

	2001		2000	
	Revenue	Expenditures	Revenue	Expenditures
Projects				
Heritage Canada Foundation - Young Canada	$ 2,859	$ 3,849	$ 5,507	$ 7,786
Millennial Project - Beaconsfield	28,841	-	23,339	-
Canada/PEI Cooperation Agreement Museum Project Development	10,000	26,483	10,000	9,108
Canadian Heritage and National Archives Control of Holdings Program	-	-	8,048	8,125
Canadian Museums Association Young Canada	14,106	17,783	12,267	14,575
Museum Assistance Program Conservator Training	-	-	10,609	36,074
Human Resources Development Canada SCP Program	5,236	5,239	6,927	6,882
Canada/PEI Agreement on Regional Economic Development	2,168	2,168	-	-
Canadian Heritage Museum Assistance	58,115	58,115	-	-
	121,325	$113,637	76,697	$82,550
General Grant				
Museum Assistance Program Access and Service	-		32,000	
Canadian Heritage Canada Committee	200		200	
	$121,525		$108,897	

Revenue received during a year but not expended is reflected as deferred revenue.

Millennial Project expenditures of $89,044 in 2001 and $67,495 in 2000 are included in the repairs and maintenance, salary, travel, utility and office expenses on Statement 2.

Financial Statements of

PRINCE EDWARD ISLAND REGULATORY AND APPEALS COMMISSION

Year ended March 31, 2001

BFM
Beaton Fitzpatrick Murray
Chartered Accountants

A.W. Beaton, CA
G.J. Fitzpatrick, CA
J.G. Murray, CA
P.J. Trainor, CA

Bonded Warehouse
91 Water Street
P.O. Box 2158
Charlottetown
Prince Edward Island
C1A 8B9

Tel: (902) 892-5365
Fax: (902) 892-0383
Email: bfm@bfm.pe.ca

AUDITORS' REPORT TO THE COMMISSIONERS

We have audited the balance sheets of Prince Edward Island Regulatory and Appeals Commission for the capital and operating funds as at March 31, 2001 and the statement of earnings and surplus for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Beaton Fitzpatrick Murray
Chartered Accountants

Charlottetown, P.E.I.
May 17, 2001

PRINCE EDWARD ISLAND REGULATORY AND APPEALS COMMISSION

Balance Sheet - Capital Fund

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Leaseholds and equipment (note 3)		
Leasehold improvements	$ 386,058	$ 254,019
Furnishings and equipment	146,397	137,144
Computer equipment	204,292	226,408
	736,747	617,571
Accumulated depreciation	493,889	487,960
	$ 242,858	$ 129,611
Liabilities and Surplus		
Surplus: Invested in capital assets (note 5)	$ 242,858	$ 129,611

See accompanying notes to financial statements.

On Behalf of the Board:

______________________ Chairman

PRINCE EDWARD ISLAND REGULATORY AND APPEALS COMMISSION

Balance Sheet - Operating Fund

March 31, 2001, with comparative figures for 2000

	2001	2000
Assets		
Current assets:		
Cash and term deposits (note 2)	$ 851,883	$ 1,050,666
Cash held in trust	3,102	1,324
Receivables - trade	55,879	3,291
- employees	2,781	7,003
Prepaid expenses	444	673
	$ 914,089	$ 1,062,957
Liabilities and Surplus		
Current liabilities:		
Promissory note - Province of Prince Edward Island (note 4)		$ -
Accounts payable and accrued liabilities:		
Trade	156,673	104,501
Vacation pay	93,645	69,851
Deposit guarantees - moving permits and rentalsman	3,102	1,324
	253,420	300,676
Deferred revenue (note 6)	377,161	362,537
Reserves (note 7)	25,543	31,299
Severance allowance	196,944	194,177
Surplus	61,021	174,268
Commitment (note 8)		
	$ 914,089	$ 1,062,957

See accompanying notes to financial statements.

On Behalf of the Board:

______________________________ Chairman

PRINCE EDWARD ISLAND REGULATORY AND APPEALS COMMISSION

Statement of Earnings and Surplus - Operating Fund

Year ended March 31, 2001, with comparative figures for 2000

	2001	2000
Revenue:		
Assessments on public utilities	$ 246,979	$ 245,969
Licenses - petroleum products	254,100	257,770
Permits - land and property division	171,691	140,029
- moving permits	1,370	1,666
Assessment - Province of Prince Edward Island	1,072,132	1,041,200
Investment income	58,960	53,121
	1,805,232	1,739,755
Expenses:		
Advertising	16,155	11,516
Bad debts	1,433	-
Cleaning	8,185	6,989
Computer maintenance and supplies	16,835	12,737
Depreciation	126,087	102,242
Education and development	2,812	7,338
Insurance	5,755	5,594
Interest	6,969	6,277
Office and supplies	37,208	26,158
Part-time commissioners	26,112	35,464
Postage	4,082	4,443
Professional fees	134,257	52,670
Publications	12,799	12,144
Rent	149,911	146,163
Salaries and employee benefits	1,182,023	1,089,070
Telephone	23,383	21,793
Travel	42,358	45,647
Year 2000 computer upgrades	-	29,429
	1,796,364	1,615,674
Earnings before Reserves transfer	8,868	124,081
Transfer from Reserves	5,756	26,565
	14,624	150,646
Deferred revenue (note 6)	(14,624)	(150,646)
Net earnings	-	-
Surplus, beginning of year	174,268	170,191
Transfer from capital fund	126,087	102,242
Transfer to capital fund for investment in capital assets	(239,334)	(98,165)
Surplus, end of year	$ 61,021	$ 174,268

See accompanying notes to financial statements.

The Commission is incorporated under the Island Regulatory and Appeals Commission Act of Prince Edward Island. The Commission is primarily engaged in the general supervision of public utilities, petroleum distributors, land and property appeals, provincial rentalsman and the hearing of appeals for property and sales tax disputes. The Commission is also responsible for recommending decisions under the Lands Protection Act.

1. Significant accounting policies:

(a) Leaseholds and equipment:

Leaseholds and equipment are stated at cost and are depreciated on the straight-line basis using the following annual rates:

Asset	Rate
Leasehold improvements	10% and 20%
Furnishings and equipment	20%
Computer equipment	33 1/3%

(b) Vacation pay and severance allowance:

Vacation pay is recorded as a liability when earned. Severance allowances are recognized when the employee meets the eligibility criteria.

(c) Pension costs:

Employees of the Commission belong to the civil service superannuation plan. Employees' contributions and matching employer's contributions are transferred to the Province of Prince Edward Island. Future actuarial liabilities assumed by the Province of Prince Edward Island are not reflected in these financial statements.

(d) Investments:

Investments are recorded at cost. If the market value of investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

2. Cash and term deposits:

	2001	2000
Cash	$ 42,072	$ 166,446
Provincial deposit receipts	95,454	204,693
Guaranteed Investment Certificates	714,357	679,527
	$ 851,883	$ 1,050,666

3. Leaseholds and equipment:

	Cost	Accumulated depreciation	2001 Net book value	2000 Net book value
Leasehold improvements	$ 386,058	$ 255,345	$ 130,713	$ 40,788
Furnishings and equipment	146,397	111,066	35,331	23,884
Computer equipment	204,292	127,478	76,814	64,939
	$ 736,747	$ 493,889	$ 242,858	$ 129,611

4. Promissory note:

Province of Prince Edward Island promissory note is unsecured with interest payable at a rate equal to Canada 90 day Treasury bills plus 1/4 of 1%.

5. Surplus - capital fund balance sheet:

	2001	2000
Surplus, beginning of year	$ 129,611	$ 133,688
Capital assets purchased during current year	239,334	98,165
	368,945	231,853
Transfer to operating fund - depreciation	126,087	102,242
Surplus, end of year	$ 242,858	$ 129,611

6. Deferred revenue:

Pursuant to a three year provincial assessment agreement entered into with the Province of Prince Edward Island, the Commission has agreed to refund to the Province of Prince Edward Island, at the end of the agreement, the accumulated surpluses, if any, for the years ended March 31, 1999, 2000, and 2001.

7. Reserves:

	2001	2000
Reserve balance, beginning of year	$ 31,299	$ 57,864
Transfer to surplus	(5,756)	(26,565)
Reserve balance, end of year	$ 25,543	$ 31,299
Comprised of:		
Reserve for Uniform System of Accounts Study	5,235	5,235
Reserve for leasehold improvements	18,308	24,064
Reserve for reporting requirements changes	2,000	2,000
	$ 25,543	$ 31,299

8. Commitment:

The Commission has an operating lease for its premises at $ 11,643. per month, under a lease expiring in 2004.

The minimum annual lease payments for the next three years are as follows:

2002	$ 139,721
2003	139,721
2004	139,721

P.E.I. SELF-INSURANCE
AND RISK MANAGEMENT FUND

FINANCIAL STATEMENTS

MARCH 31, 2001

AUDITOR'S REPORT

To the Members of Treasury Board

I have examined the balance sheet of the Prince Edward Island Self-Insurance and Risk Management Fund as at March 31, 2001 and the statement of revenues, expenditures and fund balance for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations for the year then ended in accordance with the basis of accounting disclosed in Note 2.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
May 31, 2001

STATEMENT 1

PRINCE EDWARD ISLAND

SELF-INSURANCE AND RISK MANAGEMENT FUND

BALANCE SHEET

AS AT MARCH 31, 2001

	2001	2000
ASSETS		
Current Assets		
Cash	$ -	$ 2,800
Accounts receivable		
- Province of P.E.I. - Note 4	8,114,997	7,936,954
- Other	-	10,270
Prepaid insurance	37,017	37,017
	$8,152,014	$7,987,041
LIABILITIES AND FUND BALANCE		
Current Liabilities		
Account payable	$ -	$ 46,673
Unearned premiums - Note 2(a)	221,037	221,037
	221,037	267,710
Fund balance - Statement 2	7,930,977	7,719,331
	$8,152,014	$7,987,041

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF TREASURY BOARD:

MEMBER: ____________________________________

MEMBER: ____________________________________

PRINCE EDWARD ISLAND

SELF-INSURANCE AND RISK MANAGEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND FUND BALANCE

FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Revenues		
Insurance premiums - Note 3	$1,013,443	$ 994,988
Interest revenue	58,532	54,583
Grants in lieu of interest - Note 4	175,000	175,000
Claims recovered	136,696	15,834
	1,383,671	1,240,405
Expenditures		
Claims settled - Note 2(b)	586,177	414,816
Consulting expenses - Note 5	67,628	103,304
Insurance premiums - Note 6	366,569	359,810
Office and travel expenses	18,107	11,663
Salary and benefits	133,544	135,568
	1,172,025	1,025,161
Net income for the year	211,646	215,244
Fund balance, beginning of year	7,719,331	7,504,087
Fund balance, end of year	$7,930,977	$7,719,331

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND

SELF-INSURANCE AND RISK MANAGEMENT FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. Operations

The Prince Edward Island Self-Insurance and Risk Management Fund was established under Part II of the Financial Administration Act. The Fund provides General Liability, Errors and Omissions Insurance, and Primary Property and Crime Insurance for government entities. The Fund is administered by Treasury Board.

2. Significant Accounting Policies

(a) **Unearned Premiums**
Premiums received for coverage continuing beyond March 31 are recorded as unearned premiums.

(b) **Claims**
Due to the inherent difficulty in predicting the outcome of legal processes, claim amounts are recorded as settled. However, management has established for internal management purposes an estimated amount for settlement of each claim. These estimated losses, which are not reported in the financial statements, totalled $503,121 as at March 31, 2001.

(c) **Equipment**
Equipment is expensed in the year of acquisition.

3. Insurance Premiums Revenue

	2001	2000
General Liability, Errors and Omissions	$ 608,563	$592,499
Primary Property and Crime	404,880	402,489
	$1,013,443	$994,988

4. Grants in Lieu of Interest

The account receivable from the Province of P.E.I. includes $6,887,571 that was invested in Provincial Deposit Receipts until March 31, 1997. At that time Treasury Board directed the investment be redeemed and be replaced by a non-interest bearing account receivable from the Province of P.E.I. In lieu of interest on investments, an annual payment of $175,000 has been paid by the Province to the Self-Insurance Fund.

5. Consulting Expenses

	2001	2000
Risk Management Studies	$ -	$ 10,000
Property Inspection	26,828	38,083
Risk Management Consultant	40,800	40,800
Other	-	14,421
	$67,628	$103,304

6. Insurance Premium Expense

	2001	2000
General Liability, Errors and Omissions	$231,240	$222,503
Primary Property and Crime	135,329	137,307
	$366,569	$359,810

7. Cash Flow Statement

A cash flow statement has not been included in these financial statements. In 1999-00 the Fund's accounting records were transferred to the Province's Oracle general ledger system. As a result, all receipts and payments flow through the Province's bank account. Since cash flow activity is reflected in the inter entity receivable/payable between the Fund and the Province, the presentation of cash flows in a financial statement format is not considered necessary.

8. Comparative Figures

Certain 2000 financial statement figures have been restated to conform with the presentation in 2001.

PRINCE EDWARD ISLAND
SPECIAL PROJECTS FUND
FINANCIAL STATEMENTS
MARCH 31, 2001

AUDITOR'S REPORT

To the Board of Directors of the
Prince Edward Island Special Projects Fund

I have audited the balance sheet of the Prince Edward Island Special Projects Fund as at March 31, 2001 and the statement of revenue, expenditures, and fund balances for the year then ended. These financial statements are the responsibility of the Fund's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2001 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
June 29, 2001

STATEMENT 1

PRINCE EDWARD ISLAND SPECIAL PROJECTS FUND

BALANCE SHEET

AS AT MARCH 31, 2001

ASSETS

	2001	2000
CURRENT ASSETS		
Due from the Province of Prince Edward Island (Note 2)	$23,570,111	$40,926,765

LIABILITIES AND FUND BALANCE

	2001	2000
FUND BALANCE		
Fund Balance - Statement 2	$23,570,111	$40,926,765

(The accompanying notes are an integral part of these financial statements.)

SIGNED ON BEHALF OF THE BOARD:

____

____

STATEMENT 2

PRINCE EDWARD ISLAND SPECIAL PROJECTS FUND

STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCES

YEAR ENDED MARCH 31, 2001

	Health Care Stabilization	Development	Health Research	Sustainable Resource Support	Community Development	Education Stabilization	2001 Total	2000 Total
REVENUE								
Provincial Grant	$ -	$ -	$ -	$ -	$ 1,000,000	$ -	$ 1,000,000	$23,500,000
Interest Income	824,043	503,216	113,879	75,147	59,140	296,948	1,872,373	1,029,565
	824,043	503,216	113,879	75,147	1,059,140	296,948	2,872,373	24,529,565
EXPENDITURES								
Grants	6,182,300	9,349,100	145,300	1,213,500	861,127	2,477,700	20,229,027	7,102,800
Net income (loss) for the year	(5,358,257)	(8,845,884)	(31,421)	(1,138,353)	198,013	(2,180,752)	(17,356,654)	17,426,765
Fund balance, beginning of year	18,335,041	11,876,808	2,096,273	1,734,784	1,335,723	5,548,136	40,926,765	23,500,000
Fund balance, end of year	$12,976,784	$ 3,030,924	$2,064,852	$ 596,431	$ 1,533,736	$ 3,367,384	$23,570,111	$40,926,765

(The accompanying notes are an integral part of these financial statements.)

PRINCE EDWARD ISLAND SPECIAL PROJECTS FUND

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2001

1. The Prince Edward Island Special Projects Fund was established under Part III.I of the Financial Administration Act. Regulations were established which indicate the purpose of each program, the eligibility criteria, and the approval and disbursement process. The purposes of each program associated with the six separate funds that comprise the Special Projects Fund are listed below:

Health Care Stabilization Fund (Health Care Support Program)

(a) to ensure existing programs and services are maintained;
(b) to stabilize the workforce through the conversion of casual and temporary positions to permanent positions;
(c) to address the difficulties in recruiting staff for specialty service delivery areas; and
(d) to maintain a high standard of health care delivery.

Development Fund (Economic Development Projects Program)

(a) to fund economic development in the province; and
(b) to enable access to federal economic development assistance including, but not limited to, economic development agreements between the federal government and the province.

Health Research Fund (Health Research Program)

(a) to provide new knowledge regarding persons suffering from diabetes, asthma, cancer, or other illnesses;
(b) to provide information regarding health services and health systems;
(c) to provide new knowledge regarding the prevention, early detection, and management of diabetes, asthma, cancer, or other illnesses; or
(d) to assist in determining best practices in the prevention and treatment of diabetes, asthma, cancer, or other illnesses.

Sustainable Resource Support Fund

(Agriculture and Environmental Resource Conservation Program)

(a) to assist farmers in the production of sustainable, high-quality crops and food products; and
(b) to support and assist farmers and owners of agricultural land in the compliance with legislation affecting their land and operations.

(Environmental and Natural Resource Program)

(a) to provide assistance for undertakings intended to improve conservation of soil or water; and
(b) to promote responsible and appropriate stewardship of the environment and natural resources.

Community Development Fund (Community Development Program)

To enhance community life, infrastructure, and employment opportunities in areas including, but not limited to:
(a) education;
(b) technology;
(c) recreation; and
(d) environment.

Education Stabilization Fund

(Teacher Technology Training Program)

To promote and improve the use of technology in Island schools by:
(a) providing technology training and support to teachers;
(b) improving computer hardware and software in schools; and
(c) supporting the integration of technology into the school curriculum.

(Education Special Projects Program)

May be used for the implementation of new initiatives and for the maintenance or expansion of existing programs.

2. Due From The Province of Prince Edward Island

The balance due from the Province consists of the principal and accumulated interest amounts and is unsecured with no set terms of repayment and bears interest at the rate in effect for the overnight call loan.

3. Commitments

The Board has approved the following withdrawals from the Fund for the year ended March 31, 2002:

Health Care Stablization Fund	$3,500,000
Development Fund	1,975,000
Health Research Fund	100,000
Sustainable Resource Support Fund	570,000
Community Development Fund	192,800
Education Stabilization Fund	3,161,200
	$9,499,000

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

FINANCIAL STATEMENTS

JUNE 30, 2000

AUDITOR'S REPORT

To the Commissioners of the
Teachers' Superannuation Commission
Province of Prince Edward Island

I have audited the Statement of Net Assets Available for Benefits of the Province of Prince Edward Island Teachers' Superannuation Fund as at June 30, 2000 and the Statement of Changes in Net Assets Available for Benefits for the year then ended. These financial statements are the responsibility of the Teachers' Superannuation Commission. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at June 30, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

J. Wayne Murphy, FCA
Auditor General

Charlottetown, Prince Edward Island
November 6, 2000

STATEMENT 1

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

as at JUNE 30, 2000

	2000	1999
Assets		
Cash	$ 654,888	$ 408,965
Contributions receivable - employee	2,206	7,693
Contributions receivable - employer	11,970	7,155
Accrued interest & other accounts receivable	3,295	1,421
Short term loan to Province	1,000,000	900,000
	1,672,359	1,325,234
Investments (Note 2b, 3)		
Province of Prince Edward Island Master Trust	280,930,520	245,135,861
Total Assets	$282,602,879	$246,461,095
Liabilities		
Installment buybacks (Note 2c)	5,508	6,006
Accounts payable	603,134	563,737
Total Liabilities	608,642	569,743
Net assets available for benefits	$281,994,237	$245,891,352

(The accompanying notes are an integral part of these financial statements)

ON BEHALF OF THE COMMISSION

COMMISSIONER: ______________________________

COMMISSIONER: ______________________________

STATEMENT 2

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED JUNE 30, 2000

	2000	1999
INCREASE IN ASSETS		
Investment income		
Interest on investments	$ 8,961,842	$ 8,341,802
Dividends	2,423,813	991,707
Other income	31,210	33,907
	11,416,865	9,367,416
Market value increase (decrease)	20,834,604	(137,463)
Contributions		
Employees' contributions	5,257,060	5,221,493
Employers' contributions	5,257,060	5,221,493
Transfers from other plans	1,683,277	727,568
Buybacks	130,088	203,235
Contribution towards unfunded liability (Note 5)	12,121,202	12,121,202
	24,448,687	23,494,991
Total Increase in Assets	56,700,156	32,724,944
DECREASE IN ASSETS		
Administrative costs	129,718	111,005
Custodial and management fees	751,466	645,618
Refunds	26,477	84,143
Pensions paid	19,409,542	17,550,885
Transfers to other plans	280,068	137,256
Total Decrease in Assets	20,597,271	18,528,907
Increase in net assets	36,102,885	14,196,037
Net assets available for benefits at beginning of the year	245,891,352	231,695,315
Net assets available for benefits at end of the year	$281,994,237	$245,891,352

(The accompanying notes are an integral part of these financial statements)

TEACHERS' SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2000

1. Description of Plan

The following description of the Teachers' Superannuation Plan is a summary only. For more complete information, reference should be made to the Teachers' Superannuation Fund.

(a) General
The plan is a contributory defined benefit plan covering teachers as defined under the Teachers' Superannuation Act. Under the plan, employees and the employer make equal contributions of 7.2% on that part of salary on which Canada Pension Plan contributions are made and 9.0% on salary when Canada Pension Plan contributions are not required.

(b) Pensions
Pensions payable are based on the number of years of service times 2% multiplied by the average of the 5 years of the highest annual salary rate on which the teacher made contributions.

(c) Disability Pension
A disability pension is available at any age to a teacher who retires from teaching service because of total and permanent disability who has contributed to the Fund for 5 or more years.

(d) Survivors' Pension
A survivor pension is paid to a spouse and allowances are provided to dependent children of a member who has at least 5 years service.

(e) Death Refunds
If a teacher dies before becoming eligible for a pension, a refund of contributions made plus interest shall be made to their personal representative.

(f) Withdrawal Refunds
Upon application and subject to limitations within the Teachers' Superannuation Act, a person who ceases to teach is entitled to a refund of all contributions made by the individual to the fund.

(g) Income Tax
The plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income tax.

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

JUNE 30, 2000

2. Summary of Significant Accounting Policies

(a) **Basis of Presentation**
These financial statements are prepared on the going concern basis and present the aggregate financial position of the plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared to assist plan members and others in reviewing the activities of the plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members.

(b) With the exception of real estate investments which are valued at cost, investments are valued at market value as reported by the custodian of the Master Trust at June 30, 2000.

(c) A past service buyback by installment plan was implemented in September 1983. Under this plan installments are accumulated for individual participants in a special fund until a sufficient amount is available to complete the buyback transaction. At that time the total buyback amount is recorded as a contribution to the Pension Fund.

3. Investments

Investments of the Civil Service Superannuation Fund, MLAs' pension funds, and the Teachers' Superannuation Fund are consolidated into the Province of Prince Edward Island Master Trust. As of June 30, 2000 there were 583,584.207 units held in the Province of Prince Edward Island Master Trust, of which the Teachers' Superannuation Fund held the following:

Units held	235,523.578
Market Value per unit	$1,192.79
Total market value held	$280,930,520

Investments of the Province of Prince Edward Island Master Trust at June 30, 2000 are as follows:

Canadian T-Bills	$ 47,878,057
Other liquid assets	112,942
Bonds, debentures and notes	246,383,914
Canadian equity securities	260,604,203
Foreign equity securities	128,947,275
Accrued income receivable	3,398,185
Real estate	8,769,700
Total	$696,094,276

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

JUNE 30, 2000

3. Investments (continued)

The investments of $696,094,276 include amounts which the Master Trust Fund managers have invested in their own pooled funds. The June 30, 2000 market values of these related parties investments are as follows:

Sceptre Investment Counsel Limited	$ 56,865,463
Beutel, Goodman & Company Ltd.	41,610,914
McLean Budden Limited	46,247,327
NewCastle Capital Management Inc.	46,577,763
Templeton Management Limited	48,060,187
	$239,361,654

4. Obligations for Pension Benefits

The present value of accrued pension benefits was determined using the projected benefit method prorated on service and best estimate assumptions. The most recent Actuarial Valuation was done as of July 1, 1999 by Morneau Sobeco. The actuarial present value of benefits as at July 1, 1999 and the principal components of change from the previous Actuarial Valuation as at July 1, 1996 were as follows:

Actuarial present value of accrued pension benefits at July 1, 1996	$309,841,000
Interest on actuarial present value of accrued pension benefits	83,186,000
Actuarial present value of benefits accrued in the intervaluation period	23,064,000
Interest on present value of benefits accrued in the intervaluation period	2,927,000
Benefits paid	(50,340,000)
Interest on benefits paid	(6,323,000)
Loss re change in actuarial basis	12,076,000
Loss re change in plan provisions	14,458,000
Net experience loss	3,878,000
Actuarial present value of accrued pension benefits at July 1, 1999	$392,767,000

The economic assumptions used in determining the actuarial value of accrued pension benefits were developed by reference to expected long-term market conditions. Significant long-term actuarial assumptions used in the valuation were:

Asset rate of return	7.9 % per annum
Basic salary escalation rate	4.0 % per annum
Pension cost of living increases	1.8 % per annum

The actuarial asset values used in the valuation were:

Actuarial value of net assets available for benefits	$245,891,000

PROVINCE OF PRINCE EDWARD ISLAND

TEACHERS' SUPERANNUATION FUND

NOTES TO THE FINANCIAL STATEMENTS (continued)

JUNE 30, 2000

5. Funding Policy

The employer matches employee contributions to the Fund. Under Section 9(3) of the Teachers' Superannuation Act, all payments required by the Act are guaranteed by the Province of Prince Edward Island. An Actuarial Valuation Report of the Fund as of July 1, 1999 was conducted by Morneau Sobeco. This report indicated there was an unfunded liability of $146.9 million.

The unfunded liability amount of $146.9 million does not include an allowance for the present value of the future contributions noted below. The present value of remaining special contributions required by the Teachers' Superannuation Act as at July 1, 1999 is $49,431,000. If this present value had been considered for the actuarial balance sheet, the unfunded liability at July 1, 1999 would be $97,445,000.

As of March 31, 2000, the unfunded liability after deducting the present value of the remaining special payments is estimated at $93.7 million.

The Teachers' Superannuation Act was amended to reflect that the Province of Prince Edward Island shall pay $129.44 million into the Fund over a period of 10 years for the purpose of reducing the unfunded liability of the Fund. The Act was further amended in 1997 to provide for payments in accordance with the following schedule.

Date of Payment	Amount Payable to Fund
April 1, 1995	$23.60 Million
April 1, 1996	11.76 Million
March 31, 1998*	11.76 Million
April 1, 1998	11.76 Million
April 1, 1999	11.76 Million
April 1, 2000	11.76 Million
April 1, 2001	11.76 Million
April 1, 2002	11.76 Million
April 1, 2003	11.76 Million
April 1, 2004	11.76 Million

*An amount equal to the revenue that would otherwise have been earned for the period April 1, 1997 to March 31, 1998, on the contribution for the 1997-1998 fiscal year that is deferred to March 31, 1999, shall be paid in seven equal annual installments, commencing on April 1, 1998. The installment referred to above is $361,202 per year.

PRICEWATERHOUSECOOPERS

Queens Region Health and Community Services

Financial Statements
March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown, Prince Edward Island
C1A 7L1
Telephone 1(902) 368-3100
Facsimile 1(902) 566-5074

June 21, 2001

Auditors' Report

To the Members of
Queens Region Health and Community Services

We have audited the statement of financial position of **Queens Region Health and Community Services** as at March 31, 2001 and the statements of revenue and expenditures and unappropriated equity, revenue and expenditures and appropriated equity, cash flows and tangible capital assets for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Queens Region Health and Community Services as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting recommendations.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

Queens Region Health and Community Services

Statement of Financial Position

As at March 31, 2001

	2001 $	2000 $
Assets		
Current assets		
Cash	181,512	860,397
Accounts receivable (note 3)	3,421,677	2,705,301
Due from Province of Prince Edward Island Department of Health and Social Services	10,700,040	11,828,652
Prepaid expenses	1,801,397	1,298,610
	16,104,626	16,692,960
Assets held in trust	134,711	90,218
Appropriated assets	188,986	167,720
	16,428,323	16,950,898
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	8,361,735	9,548,331
Accrued vacation pay and retiring allowances	7,316,069	7,031,676
Deferred revenue	426,822	112,953
	16,104,626	16,692,960
Assets held in trust	134,711	90,218
	16,239,337	16,783,178
Surplus		
Appropriated equity		
Restricted Fund	188,986	167,720
Unappropriated equity	-	-
	188,986	167,720
	16,428,323	16,950,898

Approved by the Board of Directors

_______________ Director _______________ Director

Queens Region Health and Community Services

Statement of Revenue and Expenditures and Unappropriated Equity

For the year ended March 31, 2001

			2001	2000
	Regional Programs $	Assigned Programs $	Total $	Total $
Revenue				
Contributions – P.E.I. Department of Health & Social Services (note 2)	133,936,675	17,183,852	151,120,527	142,516,659
Patient/client fees	2,698,496	-	2,698,496	3,001,844
Other income (note 3)	2,946,179	-	2,946,179	2,613,750
	139,581,350	17,183,852	156,765,202	148,132,253
Expenditures				
Acute care/mental health division				
Hospital services (note 3)	66,078,724	-	66,078,724	62,965,698
Mental health	11,008,900	-	11,008,900	10,673,131
Child and family services division	6,831,784	-	6,831,784	6,004,198
Income support division				
Income support program	21,763,643	-	21,763,643	22,982,846
Job creation program	1,320,705	-	1,320,705	1,368,034
Community services division				
Addiction services	3,319,702	-	3,319,702	2,710,434
Housing	1,876,356	-	1,876,356	1,745,910
Public health nursing	1,182,607	-	1,182,607	1,086,220
Funding to non-government organizations	2,805,790	-	2,805,790	2,029,400
Community services programs	1,689,466	-	1,689,466	1,508,532
Continuing care division	20,694,898	-	20,694,898	19,292,688
Administration	1,008,775	-	1,008,775	885,320
Assigned programs				
Dental public health	-	2,270,975	2,270,975	2,134,013
Provincial pharmacy	-	14,511,340	14,511,340	12,349,852
Environmental health	-	401,537	401,537	395,977
	139,581,350	17,183,852	156,765,202	148,132,253
Excess revenue for the year	-	-	-	-
Unappropriated equity – Beginning of year			-	-
Unappropriated equity – End of year			-	-

Queens Region Health and Community Services

Statement of Revenue and Expenditures and Appropriated Equity

For the year ended March 31, 2001

	2001 $	2000 $
Restricted Fund		
Revenue		
Donations	62,532	38,065
Interest	10,570	7,636
	73,102	45,701
Expenditures		
Resident activities	51,836	45,945
Excess revenue (expenditures) for the year	21,266	(244)
Restricted Fund equity – Beginning of year	167,720	167,964
Restricted Fund equity – End of year	188,986	167,720

Queens Region Health and Community Services

Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Operating activities		
Excess revenue (expenditures) for the year – operating fund	-	-
– restricted fund	21,266	(244)
	21,266	(244)
Net change in non-cash working capital items		
– decrease (increase) in accounts receivable	(716,376)	420,805
– decrease in due from Province of P.E.I. Department of Health and Social Services	1,128,612	976,887
– increase in prepaid expenses	(502,787)	(702,966)
– decrease in accounts payable and accrued liabilities	(1,186,596)	(2,937,805)
– increase in accrued vacation pay and retiring allowances	284,393	774,686
– increase (decrease) in deferred revenue	313,869	(146,907)
	(678,885)	(1,615,300)
	(657,619)	(1,615,544)
Investing activity		
Decrease (increase) in appropriated assets	(21,266)	244
Decrease in cash	(678,885)	(1,615,300)
Cash – Beginning of year	860,397	2,475,697
Cash – End of year	181,512	860,397

Queens Region Health and Community Services

Statement of Tangible Capital Assets

For the year ended March 31, 2001

	2001				2000
	Land and Improvements $	**Buildings** $	**Equipment** $	**Total** $	**Total** $
Cost of tangible capital assets					
Opening cost	554,007	44,641,977	29,367,572	74,563,556	72,691,722
Additions during the year	-	-	1,998,324	1,998,324	1,871,834
Closing cost	554,007	44,641,977	31,365,896	76,561,880	74,563,556
Accumulated amortization					
Opening accumulated amortization	20,420	19,291,177	12,505,439	31,817,036	29,869,177
Add: Amortization	2,918	1,117,722	952,114	2,072,754	1,947,859
Closing accumulated amortization	23,338	20,408,899	13,457,553	33,889,790	31,817,036
Net carrying amount of tangible capital assets	530,669	24,233,078	17,908,343	42,672,090	42,746,520

1 Summary of significant accounting policies

Basis of accounting

Queens Region Health and Community Services follows the accounting recommendations of the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

Basis of presentation

Queens Region Health and Community Services operates five divisions: acute care/mental health, child and family services, income support, community services and continuing care.

In addition to regional programs, the Prince Edward Island Department of Health and Social Services assigned to Queens Region Health and Community Services the management of three provincial programs – dental public health, provincial pharmacy and environmental health.

Included in the acute care/mental health division are the following services:

- Queen Elizabeth Hospital
- Hillsborough Hospital
- Sherwood Home
- Community Mental Health

Included in the income support division are the following services:

- Income support programs
- Job creation program

Included in the community services division are the following services:

- Addiction services
- Housing
- Public health nursing
- Speech program
- Audiology program
- Contributions to non-government organizations
- Community services program

Included in the continuing care division are the following services:

- Beach Grove Home
- Prince Edward Home
- Contributions to private nursing homes
- Home care and support

These financial statements do not include the assets, liabilities and activities of the Region's related organizations, Queen Elizabeth Hospital Foundation Inc. and Queen Elizabeth Hospital Auxiliary Inc.

Restricted Fund

Several institutions in Queens Region Health and Community Services have funds that are subject to certain restrictions. All such funds were formed for the purpose of benefiting the residents of the institutions.

The following funds are included in the Restricted Fund on the financial statements:

- Beach Grove Home Memorial fund
- Hillsborough Hospital Memorial fund
- Prince Edward Home Memorial fund
- Prince Edward Island Palliative Care fund

Interest earned on these funds has also been designated for the purpose of benefiting the residents and is included in interest income of the Restricted Fund.

Financial support overpayments

Financial support overpayments are recorded as receivable when identified, with a full provision as a doubtful account. Recoveries of financial support overpayments are recorded as a reduction to financial support expenditures when received.

Assets held in trust

Certain institutions provide a safekeeping for residents' monies, which are primarily held in bank accounts or Province of Prince Edward Island deposits.

Tangible capital assets

Capital assets are recorded at cost on the Statement of Tangible Capital Assets. Amortization of capital assets is recorded on the Statement of Tangible Capital Assets using the straight-line method at the annual rate of 10% for land improvements, 2.5% for buildings and 6.25% for equipment.

Capital assets purchased in the year are expensed on the Statement of Revenue and Expenditures and Unappropriated Equity.

Many of the services provided through the Queens Region Health and Community Services are located in properties owned directly or indirectly by the Province of Prince Edward Island. Agreement has been reached with the Province for the Region to use these properties at no rental charge.

Management estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

Fair value of financial instruments

The financial instruments of the Region include accounts receivable, due from Province of Prince Edward Island Department of Health and Social Services, assets held in trust, appropriated assets, accounts payable and accrued liabilities, and accrued vacation pay and retiring allowances.

The Region has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

2 Contributions – Prince Edward Island Department of Health and Social Services

	2001			2000
	Regional Programs $	Assigned Programs $	Total $	Total $
Operating	133,619,515	17,183,852	150,803,367	142,516,659
Radiology Information System	317,160	-	317,160	-
	133,936,675	17,183,852	151,120,527	142,516,659

3 Related party transactions

Accounts receivable includes $326,770 (2000 - $409,095) from the Queen Elizabeth Hospital Foundation Inc. for equipment purchases. Other income includes donations from the Queen Elizabeth Hospital Foundation Inc. for equipment purchases of $1,366,215 (2000 - $881,502). These purchases are included in hospital services expense.

Grant Thornton LLP
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Southern King's Health Authority
Financial Statements
March 31, 2001

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Auditors' Report

To the Board of Directors of
Southern King's Health Authority

We have audited the balance sheet of Southern King's Health Authority as at March 31, 2001 and the statements of revenue and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

Grant Thornton LLP

Charlottetown
Prince Edward Island
June 15, 2001

Chartered Accountants

P.O. Box 187
Suite 501
199 Grafton Street
Charlottetown
Prince Edward Island
C1A 7K4
Tel: (902) 892-6547
Fax: (902) 566-5358

Southern King's Health Authority
Statement of Revenue and Expenses

Year Ended March 31	2001	2000
Revenue		
Grants		
Department of Health and Social Services	$ 15,235,725	$ 14,079,625
Special projects (Note 6)	95,604	226,171
Donations – K.C.M.H. Foundation Inc.	102,935	87,871
Proceeds on sale of property	-	8,250
Kings County Memorial Hospital (Note 7)	336,319	294,529
Other income	30,134	11,537
	15,800,717	14,707,983
Expenses		
Community Services		
Child and Family Services	4,456,866	4,240,168
Community Health Center	949,553	774,398
Home Care and Support	887,489	852,679
Job Creation/Employment Enhancement	208,704	228,691
Seniors Housing	523,591	486,769
Grants – non-governmental organizations	1,030,957	889,665
Residential Services		
Riverview Manor	2,435,976	2,252,153
Kings County Memorial Hospital	4,426,064	4,082,080
Regional Services	746,678	635,660
Special projects (Note 6)	95,604	226,171
	15,761,482	14,668,434
Excess operating revenue	39,235	39,549
Non-operating expenses		
Increase in accrued vacation pay	39,235	39,549
Excess revenue	$ -	$ -

See accompanying notes to the financial statements.

Southern King's Health Authority
Balance Sheet

March 31	2001	2000
Assets		
Current		
Cash and cash equivalents (Note 3)	$ 997,698	$ 989,595
Receivables (Note 4)	893,354	874,311
Prepaids	120,507	54,480
	$ 2,011,559	$ 1,918,386
Liabilities		
Current		
Payables and accruals (Note 5)	$ 1,295,535	$ 1,189,729
Accrued vacation pay and retirement allowance	679,132	639,897
Deferred revenue (Note 6)	36,892	57,496
	2,011,559	1,887,122
Severance pay allowances deferred funding	-	31,264
	$ 2,011,559	$ 1,918,386

On behalf of the Board

____________________ Director ____________________ Director

See accompanying notes to the financial statements.

Southern King's Health Authority
Statement of Cash Flows

Year Ended March 31	2001	2000
Increase (decrease) in cash and cash equivalents		
Operating		
Cash received from		
Provincial government for operations	$ 15,076,134	$ 14,500,757
Special projects grants	230,000	54,800
Operations	282,818	184,031
Donations	172,118	109,259
Cash paid for		
Wage assistance grants	(207,563)	(204,404)
Severance pay allowance	(31,264)	-
Special projects	(95,604)	(226,171)
Salaries and benefits	(8,927,351)	(8,355,994)
Grants – non-governmental organizations	(1,030,957)	(889,665)
Materials and services	(1,991,837)	(1,977,369)
Financial assistance	(3,235,377)	(3,062,477)
Building and equipment	(233,014)	(143,192)
Net increase (decrease) in cash and cash equivalents	8,103	(10,425)
Cash and cash equivalents		
Beginning of year	989,595	1,000,020
End of year	$ 997,698	$ 989,595

See accompanying notes to the financial statements.

Southern King's Health Authority
Statement of Tangible Capital Assets

Year Ended March 31

				2001	2000
	Land	Buildings	Equipment	Total	Total
Cost of Tangible Capital Assets					
Opening cost	$ 1,469	$ 1,348,427	$ 932,424	**$ 2,282,320**	$ 2,200,606
Additions	-	-	93,341	**93,341**	81,714
Closing cost	1,469	1,348,427	1,025,765	**2,375,661**	2,282,320
Accumulated Depreciation					
Opening balance	-	594,212	475,500	**1,069,712**	971,754
Add: depreciation	-	33,710	70,082	**103,792**	97,958
Closing balance	-	627,922	545,582	**1,173,504**	1,069,712
Net Carrying Amount of Tangible Capital Assets	$ 1,469	$ 720,505	$ 480,183	**$ 1,202,157**	$ 1,212,608

See accompanying notes to the financial statements.

1. Nature of operations

Authority

Southern King's Health Authority is a non-profit organization incorporated under the authority of the Health and Community Services Act, Part III. The corporation is exempt from income taxes under Section 149 of the Income Tax Act of Canada. Southern King's Health Authority is responsible for the management of the following core program health services:

Program/Services
- Kings County Memorial Hospital
- Child and Family Services
- Community Health Center
- Home Care and Support
- Riverview Manor
- Seniors Housing
- Job Creation/Employment Enhancement

2. Summary of significant accounting policies

Revenue recognition

The Southern King's Health Authority follows the deferral method of accounting for grants for special projects. Grants restricted for special projects are recognized as revenue in the year in which the related expenses are incurred. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tangible capital assets

Acquired physical assets are expensed as a component of program costs in the year of acquisition. The Authority has assumed ownership of the tangible capital assets of the Kings County Memorial Hospital only. The Authority has assumed operational maintenance responsibility for the other tangible capital assets in the region. The Statement of Tangible Capital Assets (page 5) provides details of tangible capital asset additions that are owned by the Authority and were expensed in the year, the accumulated cost of tangible capital assets owned by the Authority and the unconsumed cost of these assets. Rates and basis to calculate the unconsumed cost of assets are as follows:

Buildings	2 1/2%, straight-line
Equipment	6 1/4% - 33 1/3%, straight-line

Inventory in the amount of $108,052 (2000 - $122,302) has not been reflected on the balance sheet.

Financial assistance

Financial assistance overpayments are recorded as receivable when identified with a full provision as doubtful account. Recoveries of financial assistance overpayments are credited to financial assistance expenditures when received. In 2001, $454,821 (2000 - $494,381) in overpayments were recorded in this manner.

2. Summary of significant accounting policies (con't)

Vacation pay and retiring allowances

Vacation pay is recorded as a liability when earned.

Retirement allowance liability is calculated when the employee meets the eligibility criteria. Retirement allowances are funded by the Department of Health and Social Services and are not recorded as an expense of the Authority. At March 31, 2001, $228,776 (2000 - $200,904) of liability relating to employees meeting the eligibility criteria was calculated but not recorded in these financial statements.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short term deposits with original maturities of three months or less.

Sick leave obligation

Union agreements provide for the accumulation of sick leave benefits by employees. However, there is no obligation for the Authority to settle these amounts with cash payments. Consequently, no liability has been accrued in these financial statements. The estimated liability for sick leave obligations is $2,312,918 at March 31, 2001.

Pension costs

Employees of the Authority belong to different pension plans according to their historical workplace. Hospital employees are part of the uniform pension plan for employees of all Prince Edward Island hospitals. All other employees are part of the uniform pension plan of the civil service of Prince Edward Island.

The hospital pension plan is a defined benefit pension plan for basic pension contributions and defined contribution pension plan for supplementary pension contributions. According to the most recent actuarial report dated January 1, 2000, employer contributions to the pension plan are sufficient to meet the requirements of the plan and a pension fund surplus existed at this point.

The civil service pension plan is the defined benefit pension plan of the Province of Prince Edward Island. For employees belonging to this plan, the employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of Prince Edward Island and are not reflected in these financial statements.

General

These financial statements do not include the assets, liabilities and activities of the Kings County Memorial Hospital Foundation Inc. and the Kings County Memorial Hospital Auxiliaries. Separate audited financial statements are issued for each of these entities.

Southern King's Health Authority
Notes to the Financial Statements
March 31, 2001

3. **Cash and cash equivalents**	2001	2000
Restricted		
Riverview Manor - Resident Trust Fund	$ 12,248	$ 9,694
Deferred revenue (Note 6)	36,892	57,496
Deferred salary plan	25,757	31,785
	74,897	98,975
Unrestricted	922,801	890,620
	$ 997,698	$ 989,595

4. **Receivables**	2001	2000
Trade	$ 26,491	$ 64,211
Employees	257,275	302,694
Kings County Memorial Hospital Foundation Inc.	16,188	85,371
Department of Health and Social Services		
Operating grant	246,695	87,104
Capital grant	-	155,000
Other	346,705	179,931
	$ 893,354	$ 874,311

5. **Payables and accruals**	2001	2000
Trade	$ 1,257,530	$ 1,148,250
Deferred salary plan	25,757	31,785
Riverview Manor Resident Trust Fund	12,248	9,694
	$ 1,295,535	$ 1,189,729

6. Deferred revenue

	Balance Beginning of Year	Grants	Expenses	Balance End of Year
Choice and Opportunity Project	$ 2,273	$ -	$ 1,181	$ 1,092
Capital Projects	43,186	65,000	76,221	31,965
Community Health Center	2,700	-	-	2,700
Addictions	9,337	-	9,337	-
Diabetes Prevention	-	10,000	8,865	1,135
	$ 57,496	$ 75,000	$ 95,604	$ 36,892

7. Revenue - Kings County Memorial Hospital

	2001	2000
General services - out patients		
Federal	$ 1,650	$ 770
Workers' Compensation Board	57,073	51,772
Non-residents	78,038	56,650
Uninsured services	8,880	8,640
General services - in patients		
Federal	-	22,275
Workers' Compensation Board	30,485	4,455
Non-residents	35,040	25,131
Differential charges	75,064	78,070
Other income		
Recoveries		
Dietary	27,208	34,069
Other	22,881	12,697
	$ 336,319	$ 294,529

8. Kings County Memorial Hospital Foundation Inc.

The Authority has an economic beneficial interest in the Kings County Memorial Hospital Foundation Inc. The primary purpose of the Foundation is to raise funds for the benefit of the Kings County Memorial Hospital. As the Authority does not exercise control or significant influence over the Foundation, its activities have not been consolidated within these financial statements except to the extent of actual contributions received during the year.

9. Other matters

The Authority acts as an agent for the Province of Prince Edward Island for the collection of Riverview Manor resident fees. During the year $782,422 (2000 - $794,152) was collected from residents. The fees collected reduce the funding receivable from the Department of Health. These collections are not reflected as revenue in these financial statements.

The Authority currently has two legal claims pending. Any losses relating from these claims will be covered under the Province of Prince Edward Island's Self-Insurance and Risk Management Fund. As such, no liability has been accrued in these financial statements.

10. Comparative figures

Certain of the 2000 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2001.

Southern King's Health Authority
Schedule of Expenses

Year Ended March 31	2001	2000
Child and Family Services		
Administration	$ 12,753	$ 15,422
Equipment	10,401	1,151
Materials, supplies, and services	2,122	3,073
Professional and contract services	9,211	11,368
Salaries and benefits	1,139,898	1,103,680
Travel and training	47,104	42,997
Financial assistance - social services	3,235,377	3,062,477
	$ 4,456,866	$ 4,240,168
Community Health Center		
Administration	$ 23,197	$ 18,450
Equipment	11,540	853
Materials and supplies	1,376	185
Salaries and benefits	892,360	739,646
Travel and training	21,080	15,264
	$ 949,553	$ 774,398
Home Care and Support		
Administration	$ 6,105	$ 9,709
Equipment	4,605	-
Materials, supplies, and services	1,799	560
Professional and contract services	16,548	21,791
Salaries and benefits	776,173	749,511
Travel and training	82,259	71,108
	$ 887,489	$ 852,679
Job Creation Program - Employment Enhancement Program		
Salaries and benefits	$ 1,141	$ 24,287
Grants - wage assistance	207,563	204,404
	$ 208,704	$ 228,691

Southern King's Health Authority
Schedule of Expenses

Year Ended March 31	2001	2000
Seniors Housing		
Central		
Administration	$ 4,691	$ 3,869
Equipment	-	23,800
Materials and supplies	18,248	15,891
Salaries and benefits	59,604	63,962
Travel and training	6,045	6,550
Grants - home repair assistance	14,598	11,267
Properties		
Administration - property tax	53,594	50,871
Materials and supplies	287,287	257,910
Professional and contract services	79,524	52,649
	$ 523,591	$ 486,769
Riverview Manor		
Administration	$ 26,156	$ 17,815
Equipment	34,959	3,613
Materials, supplies, and services	274,085	261,168
Professional and contract services	20,066	21,640
Salaries and benefits	2,075,470	1,944,637
Travel and training	5,240	3,280
	$ 2,435,976	$ 2,252,153
Kings County Memorial Hospital		
Administration	$ 99,345	$ 93,058
Building and equipment	97,397	81,714
Materials, supplies and services	735,393	648,682
Professional and contract services	40,430	30,106
Salaries and benefits	3,437,208	3,223,132
Travel and training	16,291	5,388
	$ 4,426,064	$ 4,082,080
Regional Services		
Administration	$ 38,584	$ 30,008
Equipment	74,112	32,061
Materials, supplies and services	208	62
Professional and contract services	63,133	72,750
Salaries and benefits	539,469	468,376
Travel and training	31,172	32,403
	$ 746,678	$ 635,660

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2001

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AUDITOR'S REPORT

To the Shareholders of Summerside Regional Development Corporation Ltd.

I have audited the consolidated balance sheet of Summerside Regional Development Corporation Ltd. as at March 31, 2001 and the consolidated statements of income and retained earnings and changes in financial position for the year then ended. These consolidated financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these consolidated financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

SUMMERSIDE, P.E.I.

June 14, 2001

CHARTERED ACCOUNTANT

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
CONSOLIDATED BALANCE SHEET
MARCH 31, 2001

	2001	2000
ASSETS		
Cash and deposits	$ 1,418,293	$ 1,566,934
Accounts receivable (Note 3)	486,929	589,933
Prepaid expenses	114,573	91,328
Leasehold allowances and deferred renovations (Note 4)	676,470	782,340
Properties and equipment (Note 5)	11,038,343	11,512,009
	$13,734,608	$14,542,544
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank advances	$ 69,000	$ 75,500
Accounts payable and accruals	251,058	274,397
Deferred income	56,272	41,148
Mortgages, debentures and other debt (Note 7)	6,883,168	7,080,525
Deferred capital grants (Note 2) (a)	3,804,622	3,973,752
	11,064,120	11,445,322
Shareholders' equity		
Capital stock (Note 8)	3,475	3,475
Contributed surplus	2,560,945	2,560,945
Retained earnings	106,068	532,802
	2,670,488	3,097,222
	$13,734,608	$14,542,544

On behalf of the Board

______________________ Director

______________________ Director

The accompanying notes are an integral part of these financial statements

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Income		
Property income	$2,097,100	$2,590,184
Other - interest	94,331	62,817
	2,191,431	2,653,001
Expenses		
Property operating expenses	1,039,548	1,342,415
Property taxes	240,723	251,314
Depreciation (net of amortization of deferred capital grants)	378,205	387,594
Amortization of leasehold allowances and deferred renovations	105,870	111,292
General and administrative	391,029	376,312
Promotion and development	10,921	45,571
Interest on long-term debt	451,749	317,878
Other interest and bank charges	120	4,780
	2,618,165	2,837,156
Loss from operations	(426,734)	(184,155)
Gain on disposal of properties and equipment	-	1,049,494
Write off deferred development costs	-	(101,544)
Net income (loss) for the year	(426,734)	763,795
Retained earnings (deficit), beginning of year	532,802	(230,993)
Retained earnings, end of year	$ 106,068	$ 532,802

The accompanying notes are an integral part of these financial statements

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED MARCH 31, 2001

	2001	2000
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	$ (426,734)	$ 763,795
Items not involving cash:		
Depreciation	552,334	564,004
Amortization of leasehold allowance and deferred renovations	105,870	111,292
Amortization of deferred capital grants	(169,130)	(176,410)
Gain on disposal of properties and equipment	-	(1,049,494)
	62,340	213,187
Net change in		
Accounts receivable	103,004	(217,466)
Prepaid expenses	(23,245)	170,813
Bank advances	(6,500)	(121,106)
Accounts payable and accruals	(23,339)	(116,109)
Deferred income	15,124	(86,957)
	127,384	(157,638)
Financing activities		
Proceeds from long-term debt	-	3,100,000
Repayment of long-term debt	(197,357)	(171,947)
	(197,357)	2,928,053
Investing activities		
Additions to properties and equipment	(78,668)	(2,300,698)
Proceeds on disposal of properties and equipment	-	1,551,475
Increase in leasehold allowances	-	(500,818)
Increase in deferred capital grants	-	8,700
	(78,668)	(1,241,341)
Increase (decrease) in cash	(148,641)	1,529,074
Cash and deposits, beginning of year	1,566,934	37,860
Cash and deposits, end of year	$ 1,418,293	$ 1,566,934

The accompanying notes are an integral part of these financial statements

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

1. Principles of Consolidation

The consolidated financial statements include the financial statement of the company and the following wholly-owned subsidiary:

Summerside Cultural Development Corporation Ltd.

The purchase method has been used to account for all acquisitions.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada. Outlined below are those policies considered particularly significant for the company.

(a) Depreciation and Amortization

The straight-line method of depreciation is being used for all assets at rates based on the estimated useful lives of the assets.

Government assistance received prior to March 31, 1976 on properties and equipment is treated as contributed surplus.

Government assistance and foundation grants received for properties and equipment additions subsequent to March 31, 1976 are treated as deferred capital grants and are amortized to revenue on the same basis as depreciation is computed on the assets to which they apply. In all instances assets are reflected at full cost with no reduction for grants.

(b) Income and Expenses
Revenues and expenses are recorded using the accrual basis of accounting.

(c) Leasehold Allowances
Leasehold allowances given to tenants are amortized to earnings over the term of the lease to which they relate.

(d) Corporation Status
The corporation and its subsidiary are non-taxable entities under the provisions of the Income Tax Act.

	2001	2000
3. Accounts Receivable		
Tenants	**$ 97,454**	$101,515
Other	**389,475**	488,418
	$486,929	$589,933

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

4. Leasehold Allowances and Deferred Renovations

	2001			2000
	Cost	Accumulated Amortization	Net	Net
Deferred charges for tenant improvements	$1,039,848	$363,378	$676,470	$782,340

5. Properties and Equipment

	2001			2000
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Waterfront Properties				
Waterfront Shopping Centre	$ 7,533,249	$ 3,276,921	$ 4,256,328	$ 4,420,273
120 Harbour Drive	2,557,567	1,224,853	1,332,714	1,429,219
109 Water Street	544,935	331,576	213,359	222,700
Spinnakers' Landing	1,640,634	687,742	952,892	1,016,314
Wyatt Centre	3,389,686	676,747	2,712,939	2,837,868
Main Site Services and Seawall	749,264	552,077	197,187	200,257
Furniture and equipment	167,246	138,687	28,559	42,238
Other property held for development	1,344,364	-	1,344,364	1,343,139
Yacht Club & Marina	1	-	1	1
	$17,926,946	$ 6,888,603	$11,038,343	$11,512,009

The estimated useful lives used to calculate depreciation on the above capital assets are as follows:

Buildings	20,25 and 40 years
Pavement	10 years
Equipment	3,4,5,7,10,15,20,25 and 40 years
Main site service	90 years
Seawall	25 years

SUMMERSIDE REGIONAL DEVELOPMENT CORPORATION LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2001

6. Long-term Lease

In 1982 the assets of the Yacht Club and Marina had been transferred to the Silver Fox Curling and Yacht Club under the terms of a 54 year lease agreement. The balance of the debt on these has been retained by Summerside Regional Development Corporation Ltd. and is to be repaid from funds derived from the remaining assets of the Corporation. A subsequent agreement had been reached in 1993 which defers any rental charges for the property.

7. Mortgages, Debentures and Other Debt

	2001	2000
Banker's Acceptance Loan, Toronto Dominion Bank, renewable in 30 days, secured by a general security agreement.	**$3,000,000**	$3,000,000
6.5% term loan, Toronto Dominion Bank repayable in monthly installments of $21,600 including principal and interest, secured by a general security agreement.	**2,298,392**	2,406,964
6.4% term loan, Toronto Dominion Bank, due 2013, repayable in monthly installments of $8,610 including principal and interest, secured by a general security agreement.	**879,849**	926,135
8% first mortgage payable, Province of Prince Edward Island, due 1999, repayable in annual installments of $137,307 including principal and interest and secured by the office building.	**450,062**	450,062
During a previous year the Province had agreed to defer principal payments on the mortgage for five years commencing with the 1996 payment.		
7.25% term loan, Toronto Dominion Bank, due 2005, repayable in monthly installments of $971 including principal and interest, secured a by a general security agreement.	**94,517**	99,230
Marina Centre serial debenture payable, Province of Prince Edward Island, due 2005, repayable in annual installments of $20,875 including interest at 8%.	**69,139**	83,345

7. Mortgages, Debentures and Other Debt (con't)

	2001	2000
6.5% term loan, Toronto Dominion Bank, due 2003, repayable in monthly installments of $1,752 including principal and interest, secured by a general security agreement.	50,423	67,565
Marina Centre and site reclamation serial debenture payable, Province of Prince Edward Island, due 2006, repayable in annual installments of $10,215 including interest at 8%.	40,786	47,224
	$6,883,168	$7,080,525

Toronto Dominion Bank General Security Agreement

As security the Toronto Dominion Bank holds a collateral mortgage on the shopping centre, 120 Harbour Drive office building and 109 Water Street office building, assignment of insurance and a general assignment of book debts and rents.

8. Capital Stock

	2001	2000
Authorized 100,000 common shares without par value.		
Issued 99,993 common shares	$ 3,475	$ 3,475

9. Comparative Figures

Certain figures presented for comparative purposes have been reclassified to conform with current year's presentation.

10. Contingencies

Legal proceedings have been filed which may result in further claims against the company for incidents which arose in the ordinary course of business. The results of the legal proceedings are not currently determinable. In the opinion of management, they will involve amounts that would not have a material adverse effect on the consolidated position of the company. Subsequent to the date of these consolidated financial statements the company completed a lease cancellation for cash consideration of $90,000.

PRICEWATERHOUSECOOPERS

Tourism PEI

Consolidated Financial Statements
March 31, 2001

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
Prince Edward Place
18 Queen Street, Suite 100
PO Box 455
Charlottetown Prince Edward Island
Canada C1A 7L1
Telephone +1 (902) 368 3100
Facsimile +1 (902) 566 5074

April 27, 2001

Auditors' Report

To the Minister of Tourism

We have audited the consolidated balance sheet of **Tourism PEI** as at March 31, 2001 and the consolidated statements of earnings, retained earnings and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

PricewaterhouseCoopers LLP is a Canadian member firm of PricewaterhouseCoopers International Limited, an English company limited by guarantee.

Tourism PEI

Consolidated Balance Sheet

As at March 31, 2001

	2001 $	2000 $
Assets		
Current assets		
Cash	1,243,737	1,265,495
Accounts receivable	1,035,026	910,427
Inventory	164,919	100,773
Prepaid expenses	17,659	18,496
	2,461,341	2,295,191
Production costs, less accumulated amortization of $180,500 (2000 - nil)	181,517	362,017
Capital assets (note 3)	9,011,327	1,632,017
Other asset	-	56,360
	11,654,185	4,345,585
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,350,207	732,083
Due to the Province of Prince Edward Island (note 4)	1,231,756	1,008,601
Deferred revenue	-	450,000
Promissory note (note 5)	300,000	-
Current portion of long-term debt	761,207	401,500
	3,643,170	2,592,184
Long-term debt, less current portion (note 6)	7,805,293	843,500
	11,448,463	3,435,684
Shareholders' Equity		
Contributed surplus (note 7)	78,114	78,114
Retained earnings	127,608	831,787
	205,722	909,901
	11,654,185	4,345,585

Approved by the Corporation

____________________________ Minister

Tourism PEI

Consolidated Statement of Retained Earnings

For the year ended March 31, 2001

	2001 $	2000 $
Balance – Beginning of year	831.787	822,453
Excess revenue (expenses) for the year	(704,179)	9,334
Balance – End of year	127,608	831,787

Tourism PEI

Consolidated Statement of Earnings

For the year ended March 31, 2001

	2001		2000
	Budget (unaudited) $	**Actual $**	**Actual $**
Revenue			
Grants from Province of Prince Edward Island	8,817,500	8,879,062	9,436,383
Tourism Marketing Authority	2,061,280	1,665,115	1,399,472
Brookvale Ski Park	220,000	325,795	183,081
Provincial Parks	545,400	723,019	655,623
Visitor Services	130,000	142,935	137,296
Licensing fees	-	114,638	119,859
Interest and miscellaneous	-	38,933	67,513
Golf Links operations	5,609,500	4,960,328	4,500,353
	17,383,680	16,849,825	16,499,580
Expenses			
Administration	832,300	735,107	819,284
Tourism Marketing Authority	4,941,280	4,073,766	4,270,095
Brookvale Ski Park	380,500	411,365	402,963
Provincial Parks	2,023,400	2,375,711	2,191,086
Visitor Services	681,500	717,240	1,260,223
Tourism Development	1,215,100	1,640,037	2,166,745
Tourism Marketing	1,403,400	1,572,497	687,761
Research	224,900	129,350	130,233
French Services	71,800	234,424	70,837
Golf Links operations	4,851,100	5,230,854	4,399,404
Amortization – Golf Links	493,400	436,953	223,015
	17,118,680	17,557,304	16,621,646
	265,000	(707,479)	(122,066)
Other income			
Gain on sale of capital assets – Golf Links	-	3,300	131,400
Excess revenue (expenses) for the year	265,000	(704,179)	9,334

Tourism PEI

Consolidated Statement of Cash Flows

For the year ended March 31, 2001

	2001 $	2000 $
Cash provided by (used in)		
Operating activities		
Excess revenue (expenses) for the year	(704,179)	9,334
Items not affecting working capital		
Amortization of capital assets	436,953	223,015
Amortization of production costs	180,500	-
Gain on sale of capital assets	(3,300)	(131,400)
	(90,026)	100,949
Net change in non-cash working capital items		
– increase in accounts receivable	(124,599)	(244,720)
– increase in inventory	(64,146)	(11,379)
– decrease (increase) in prepaid expenses	837	(18,496)
– increase in accounts payable	618,124	225,380
– increase in due to the Province of P.E.I.	223,155	165,738
– increase (decrease) in deferred revenue	(450,000)	450,000
	113,345	667,472
Financing activities		
Increase in promissory note	300,000	-
Proceeds on long-term debt	7,823,000	1,466,000
Repayment from long-term debt	(501,500)	(221,000)
	7,621,500	1,245,000
Investing activities		
Purchase of capital assets	(7,816,263)	(1,539,775)
Increase in production costs	-	(362,017)
Proceeds on sale of capital assets	3,300	131,401
Decrease (increase) in other asset	56,360	(56,360)
	(7,756,603)	(1,826,751)
Change in cash	(21,758)	85,721
Cash – Beginning of year	1,265,495	1,179,774
Cash – End of year	1,243,737	1,265,495

1 Basis of presentation

Consolidation

These financial statements include the operations of Tourism PEI and its wholly-owned subsidiary, Golf Links Prince Edward Island Inc.

Status of the corporation

Tourism PEI became a Crown corporation, effective March 31, 1999, under the Tourism PEI Act passed by the Government of Prince Edward Island on June 8, 1999. The objectives of Tourism PEI are to carry out tourism related activities of the Province of Prince Edward Island.

The objectives of Golf Links Prince Edward Island Inc. are to maintain and operate the provincial golf courses.

The financial results of the corporation are included in the public accounts of the Province of Prince Edward Island.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The following is a summary of significant accounting policies used in the preparation of these financial statements.

Inventory

Inventory is valued at the lower of cost, determined using the average cost method, and market. Market is defined as net realizable value.

Production costs

The costs related to the production of television commercials have been capitalized and are being amortized over the estimated useful life of the commercials. The production costs are amortized on a straight-line basis over two years, beginning in 2001, which is the fiscal period in which the commercial first aired.

Capital assets

Tourism PEI expenses capital assets in the period purchased.

The capitalization policy of Tourism PEI is under review in conjunction with the Province of Prince Edward Island's implementation of the new Public Sector Accounting Policy regarding tangible capital assets.

Golf Links Prince Edward Island Inc. records at cost capital assets having a useful life of greater than one year as an asset in the period purchased.

Amortization

Capital assets related to the construction of the playing areas of the Dundarave Golf Course are not amortized.

Amortization is calculated using the straight-line method at the annual rates as indicated in note 3. One-half the normal annual rate of amortization is recorded in the year of acquisition, except for the acquisition of the Dundarave Golf Course assets. The Dundarave assets were acquired subsequent to the closing of the current year's operating season and payment of a full year's operating lease. No amortization was taken during the year on the purchase of these assets. No amortization is recorded in the year of disposal.

Due to the Province of Prince Edward Island

Current operations

Excess revenue for the year for Tourism PEI is recorded as a reduction in Grants – Province of Prince Edward Island and as an amount due to the Province of Prince Edward Island. Golf Links Prince Edward Island Inc. records excess revenue (expenses) as an increase (decrease) in retained earnings.

Revenue recognition

Grants from the Province of Prince Edward Island are recorded as revenue when received. Revenue from Tourism Marketing Authority activities is recorded when billed and revenue from park operations, services, sales, rentals and Golf Links Prince Edward Island Inc. operations fees is recorded when earned. Excess revenue for the year is recorded as a reduction in Grants – Province of Prince Edward Island and as an amount due to the Province of Prince Edward Island.

Government grants funded by the federal government or a federal-provincial cost-shared agreement, received related to operations, are recorded as revenue in the period in which the related expenses are recorded. Unexpended amounts as at the year end are recorded as deferred revenue.

Expenses are recorded in the period in which the related goods and services are consumed except for Tourism Marketing Authority and program grants included in Tourism Development and Tourism Marketing expenses. Tourism Marketing Authority expenditures are recorded in the period the goods and services are acquired and a liability incurred. Program grant expenditures are recorded in the period in which the funds are approved for disbursement.

Vacation pay and pension liabilities

The staff of Tourism PEI and Golf Links Prince Edward Island Inc. are employees of the Province of Prince Edward Island. Direct costs for employees of the Province of Prince Edward Island allocated to Tourism PEI and Golf Links Prince Edward Island Inc. are charged to the company on a per-payroll basis. Since the staff are employees of the Province, accrued vacation pay and pension obligations are liabilities of the Province and not the company and no liability for these costs has been accrued by the company at March 31, 2001.

Management estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period.

Fair value of financial instruments

The Corporation has evaluated the fair value of its financial instruments based on the current interest rate environment, market values and the actual prices of financial instruments with similar terms. The carrying value of financial instruments is considered to approximate fair value.

Government assistance

Government grants, funded by the federal government or a federal-provincial cost shared agreement, received relating to operations are recorded as revenue in the period in which the related expenses are recorded.

3 Capital assets

	2001				2000
	Amortization Rate %	Cost $	Accumulated amortization $	Net $	Net $
Dundarave golf course		6,122,211	-	6,122,211	-
Land improvements and paving	10 - 20	345,467	7,063	338,404	19,203
Computer equipment and software	20	124,139	21,171	102,968	26,838
Power cars	20	1,002,802	361,526	641,276	753,836
Rental equipment	20	14,660	3,997	10,663	11,393
Equipment	10 - 20	1,912,434	297,473	1,614,961	678,192
Vehicles	20	51,823	19,005	32,818	26,203
Buildings	10	173,483	25,457	148,026	116,352
		9,747,019	735,692	9,011,327	1,632,017

4 Due to the Province of Prince Edward Island

	2001 $	2000 $
Current operations		
Excess revenue for the year – Tourism PEI	(1,231,756)	(1,009,799)
Trade receivables	-	1,198
	(1,231,756)	(1,008,601)

5 Promissory note

The promissory note, due May 2001, bears interest at 4.85% and is repayable to the Department of Provincial Treasury of Prince Edward Island. The note is unsecured.

6 Long-term debt

	2001 $	2000 $
6.25% loan from the Department of Provincial Treasury of Prince Edward Island, due July 31, 2001, repayable in two instalments of $180,500 plus interest on July 31, 2000 and July 31, 2001	180,500	361,000
6.85% loan from the Department of Provincial Treasury of Prince Edward Island, due March 31, 2004, repayable in annual instalments of $221,000 plus interest	663,000	884,000
6.73% loan from the Department of Provincial Treasury of Prince Edward Island, due March 31, 2005, repayable in annual instalments of $35,000 plus interest	140,000	-
6.63% loan from the Department of Provincial Treasury of Prince Edward Island, due March 31, 2005, repayable in annual instalments of $65,000 plus interest	260,000	-
6.19% loan from the Department of Provincial Treasury of Prince Edward Island, due December 7, 2005, repayable in annual instalments of $615,312 including interest	6,950,000	-
5.72% loan from the Department of Provincial Treasury of Prince Edward Island, due March 31, 2006, repayable in annual instalments of $74,600 plus interest	373,000	-
	8,566,500	1,245,000
Less: Current portion	761,207	401,500
	7,805,293	843,500

The long-term debt is unsecured.

The aggregate amount of principal payments required over the next five years to meet retirement provisions are as follows:

	$
Year ending March 31, 2002	761,207
2003	592,165
2004	604,333
2005	396,253
2006	309,973

7 Related party transactions

During the year, the companies utilized office premises of a related Crown corporation, Prince Edward Island Business Development Inc. and a department of the Province of Prince Edward Island for nil consideration.

Tourism PEI utilizes the provincial parks, including Brookvale Ski Park, the provincial day parks and the full service campgrounds, as well as the Visitor Information Centres in carrying out its mandate. Tourism PEI has paid nil consideration for utilizing these facilities.

Golf Links Prince Edward Island Inc. rents three provincial golf courses from the Province of Prince Edward Island for nil consideration.

During the 1999 year, the Province of Prince Edward Island transferred capital assets utilized in maintenance and operation of the three provincial golf courses to Golf Links Prince Edward Island Inc. In accordance with the terms of the transfer, the exchange and carrying amounts of the capital assets was established as $1.

The Province of Prince Edward Island has contributed pro shop inventory to Golf Links Prince Edward Island Inc. The inventory was recorded as inventory and contributed surplus based on original cost.

During the year, both companies paid a total of $294,869 (2000 - $22,742) in interest to the Department of Provincial Treasury of Prince Edward Island.

During the year, the companies received nil (2000 - $450,000) in grants funded by federal-provincial cost shared agreements to assist in projects to occur in the 2001 fiscal year.

8 Commitments

The Province of Prince Edward Island has entered into an 11-year lease expiring December 2008 with Brudenell II Inc. for Dundarave Golf Course. As the company operating the course, Golf Links Prince Edward Island Inc. had committed to make the lease payments on behalf of the Province. The lease cost according to the agreement was $635,000 per year with the lease payments commencing July 1, 1999.

Golf Links Prince Edward Island Inc. leased the course during the 2000 operating season and accordingly was required to pay the full lease payment for the 2001 fiscal year. On December 12, 2000, Golf Links Prince Edward Island Inc. purchased the Dundarave Golf Course from Brudenell II Inc. and the lease agreement was terminated at that time.

The minimum annual lease payments required by Golf Links Prince Edward Island Inc. under operating leases for base rental of premises in Brudenell and Mill River expiring in August 2004 and 2075 are as follows:

	$
Year ending March 31, 2002	101,809
2003	101,809
2004	101,809
2005	23,453
2006	1

In addition to the base lease rentals, there is a requirement to pay the company's pro-rata share, based on rented space, of the operating costs including property taxes of the premises.

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West Prince Health Authority
Financial Statements
March 31, 2001

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Grant Thornton LLP
Chartered Accountants
Management Consultants
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Auditors' Report

To the Members of the Board of
West Prince Health Authority:

We have audited the balance sheet of West Prince Health Authority as at March 31, 2001 and the statements of revenue and expenses, cash flows, and tangible capital assets for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2001 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Summerside, Prince Edward Island

June 7, 2001

Chartered Accountants

P.O Box 1660
220 Water Street
Summerside
Prince Edward Island
C1N 2V5
Tel: (902) 436-9155
Fax: (902) 436-6913

West Prince Health Authority
Statement of Revenue and Expenses

Year Ended March 31	2001	2000
Revenue		
Department of Health and Social Services	$ 17,404,822	$ 16,098,962
Patient / Client fees	475,702	564,905
Special projects	136,282	222,259
Donations	96,113	160,531
Other	99,851	120,404
Interest	9,302	8,678
	18,222,072	17,175,739
Expenses		
Child and Family Services	5,313,873	4,740,909
Community Hospital	3,861,974	3,675,026
Western Hospital	3,507,905	3,412,502
Maplewood Manor	2,794,651	2,762,026
Home Care and Support	1,192,529	1,070,136
Community Grants	470,996	467,609
Job Creation program	232,243	264,751
Housing Services	268,069	252,773
Public Health Nursing	259,069	239,298
Addictions	175,597	
Community Development	145,166	290,709
	18,222,072	17,175,739
Excess of revenue over expenses	$ NIL	$ NIL

See accompanying notes to the financial statements.

West Prince Health Authority
Balance Sheet

March 31	2001	2000
Assets		
Current		
Cash - unrestricted	$ 586,631	$ 52,104
Cash - restricted	23,883	37,070
Receivables (Note 3)	1,218,564	1,648,441
Receivable to fund retirement allowances	-	57,123
Prepaid expenses	103,741	73,650
	1,932,819	1,868,388
Receivable to fund retirement allowances	261,507	156,537
	$ 2,194,326	$ 2,024,925
Liabilities		
Current		
Payables and accruals (Note 4)	$ 1,920,231	$ 1,799,087
Funds held in trust	12,588	12,178
Retirement allowances	-	57,123
	1,932,819	1,868,388
Retirement allowances	261,507	156,537
	$ 2,194,326	$ 2,024,925

On behalf of the Board

______________________ Board Member ______________________ Board Member

See accompanying notes to the financial statements.

West Prince Health Authority
Statement of Cash Flows

Year Ended March 31	2001	2000
Increase (decrease) in cash and cash equivalents		
Operating		
Cash - restricted	$ 13,187	$ (7,711)
Receivables	429,877	(390,414)
Prepaid expenses	(30,091)	5,738
Receivable to fund retirement allowances	(47,847)	(23,184)
Payables and accruals	121,144	165,212
Funds held in trust	410	(714)
Retirement allowances payable	47,847	23,184
Net increase (decrease) in cash and cash equivalents	534,527	(227,889)
Cash and cash equivalents, beginning of year	52,104	279,993
Cash and cash equivalents, end of year	$ 586,631	$ 52,104

See accompanying notes to the financial statements.

West Prince Health Authority
Statement of Tangible Capital Assets

Year Ended March 31						2001	2000
	Land	Pavement	Buildings	Equipment	Vehicle	**Total**	Total
Cost of Tangible Capital Assets							
Opening cost	$ 50,917	$ 10,223	$ 20,389,006	$ 4,008,810	$ 21,510	**$ 24,480,466**	$ 24,071,907
Additions				135,795		**135,795**	408,559
Closing cost	50,917	10,223	20,389,006	4,144,605	21,510	**24,616,261**	24,480,466
Accumulated Depreciation							
Opening balance		10,223	3,172,131	2,277,527	10,970	**5,470,851**	4,765,521
Add: depreciation			509,725	196,789	3,162	**709,676**	705,330
Closing balance		10,223	3,681,856	2,474,316	14,132	**6,180,527**	5,470,851
Net Carrying Amount of Tangible Capital Assets	$ 50,917	$ NIL	$ 16,707,150	$ 1,670,289	$ 7,378	**$ 18,435,734**	$ 19,009,615

See accompanying notes to the financial statements.

West Prince Health Authority
Notes to the Financial Statements

March 31, 2001

1. Nature of operations

West Prince Health Authority, a non-profit organization , operates under the authority of the Health and Community Services Act, Part III (the "Act"). West Prince Health Authority commenced operations on April 5, 1994 when the Health and Community Services Agency (the "Agency") approved the establishment of the regional health authorities as provided under the Act. The Agency Board also approved the core services that must be available and reasonably accessible to all residents of West Prince.

The core services that are managed by West Prince Health on behalf of residents of West Prince and the Province of Prince Edward Island are:

Program / Service

Child and Family Services
Home Care and Support
Housing Services
Job Creation Program / Employment Enhancement Program
Public Health Nursing
Community Hospital
Western Hospital
Maplewood Manor
Community Development
Physician Services
Addictions
Mental Health

2. Summary of significant accounting policies

Revenue recognition

West Prince Health follows the deferral method of accounting for grants for special projects. Grants restricted for special projects are recognized as revenue in the year in which the related expenses are incurred. Unrestricted amounts are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks, net of bank overdrafts.

2. Summary of significant accounting policies (cont'd)

Financial support overpayments

Financial support overpayments are recorded as receivable when identified with a full provision as a doubtful account. Recoveries of financial support overpayments are credited to financial support expenditures when received.

Tangible capital assets

Tangible capital assets are expensed as a component of program costs in the year of acquisition. During the year, capital asset purchases of $135,795 (2000 - $408,559) were expensed. The Authority received designated funding for capital purchases in the amount of $78,159 (2000 - $192,567) during the year.

Inventory

Inventory in the amount of $ 235,923 (2000 - $238,884) has not been reflected on the Balance Sheet.

Vacation pay and retirement allowances

Vacation pay is recorded as a liability when earned. Retirement allowances are recorded as a liability when an employee meets the eligibility criteria. Retirement allowances are funded separately from the regular funding received from the Department of Health and Social Services.

Pension plans

Employees of West Prince Health belong to different pension plans according to their historical workplace. Hospital employees are part of the uniform pension plan for employees of all Prince Edward Island hospitals. All other employees are part of the uniform pension plan of the civil service of Prince Edward Island. The hospital pension plan is a defined benefit pension plan for basic pension contributions and defined contribution pension plan for supplementary pension contributions. According to the most recent actuarial report date January 1, 2000 employer contributions to the pension plan are sufficient to meet the requirements of the plan and a pension fund surplus existed at that date. The civil service pension plan is the defined benefit pension plan of the Province of Prince Edward Island. For employees belonging to this plan, the employer's share of the benefits plus any additional future actuarial liabilities are assumed by the Province of Prince Edward Island. These pension plans are not reflected in the financial statements.

General

These financial statements do not include the assets, liabilities and activities of the O'Leary Community Health Foundation Inc. or the Western Hospital Foundation Inc. or the auxiliaries.

2. Summary of significant accounting policies (cont'd)

Other

West Prince Health Authority acts as an agent for the Province of Prince Edward Island for the collection of revenue for certain regional programs. During the year revenue was collected in the following areas:

Maplewood Manor
Housing Services
Home Care and Support
Public Health Nursing

Revenues collected are not reflected in the body of the financial statements.

3. Receivables

	2001	2000
Financial support overpayments	$ 175,361	$ 206,519
Patients	82,771	86,256
Other	379,002	313,670
Department of Health and Social Services	756,791	1,248,515
	1,393,925	1,854,960
Less: allowance for doubtful accounts	175,361	206,519
	$ 1,218,564	$ 1,648,441

4. Payables and accruals

	2001	2000
Trade	$ 717,054	$ 639,547
Salaries and benefits	1,106,410	1,067,385
Deferred revenue	96,767	92,155
	$ 1,920,231	$ 1,799,087

5. Comparative figures

Certain comparative figures have been restated to agree to the financial statement presentation adopted in the current year.

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Western School Board
Financial Statements
June 30, 2000

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Grant Thornton LLP
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Auditors' Report

To the Board of School Trustees
of Western School Board

We have audited the operating and capital fund balance sheets of Western School Board as at June 30, 2000 and the statements of revenue, expenses and operating deficit and capital surplus for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at June 30, 2000 and the results of its operations for the year then ended in accordance with generally accepted accounting principles adopted for Prince Edward Island Regional School Boards.

Summerside, Prince Edward Island

December 7, 2000

Chartered Accountants

P. O. Box 1660
220 Water Street
Summerside
Prince Edward Island
C1N 2V5
Tel: (902) 436-9155
Fax: (902) 436-6913

Western School Board
Statement of Revenue, Expenses and Operating Deficit

Year Ended June 30	Page	2000	%	1999	%
Revenue					
Grants from the Department of Education					
Administration		$ 518,700	1.2	$ 512,900	1.1
Capital expenditures		606,919	1.5	650,851	1.4
Instructional supplies		513,000	1.2	514,900	1.1
Inservice		9,600		9,600	
Professional development		30,200	0.1	29,800	
Salaries and benefits		34,585,981	83.2	35,452,838	73.5
Maintenance and operation		1,924,700	4.6	1,872,800	3.9
Transportation		606,200	1.5	606,100	1.3
Other revenue (Note 3)		77,097	0.2	83,597	0.2
Unfunded depreciation		1,699,459	4.1	1,764,203	3.7
Special projects					
New school construction				5,565,178	11.5
Library				1,287	
Other		45,330	0.1	98,791	0.2
School repairs		831,625	2.0	854,093	1.8
Education Alternative Program		120,000	0.3	120,000	0.2
Deficit offset grant				71,953	0.1
		41,568,811	100.0	48,208,891	100.0
Expenses	Page				
Administration	8	689,323	1.6	623,103	1.3
Capital expenditures	9	609,632	1.5	614,754	1.3
Instructional supplies	10	683,910	1.6	566,369	1.2
Inservice		5,996		9,600	
Professional development	11	58,977	0.1	48,717	0.1
Salaries and benefits	12	34,316,400	81.6	35,283,045	73.3
Maintenance and operation	13	2,334,273	5.6	1,973,127	4.1
Transportation	14	662,142	1.6	587,079	1.2
Depreciation		1,699,459	4.0	1,764,203	3.7
Special projects					
New school construction				5,565,178	11.6
Library				1,287	
Other		45,783	0.1	98,791	0.2
School repairs	9	831,625	2.0	854,093	1.8
Education Alternative Program		120,000	0.3	120,000	0.2
		42,057,520	100.0	48,109,346	100.0
(Deficiency) surplus of revenue over expenses		$ (488,709)		$ 99,545	

	2000	1999
Operating surplus (deficit), beginning of year	$ 27,592	$ (71,953)
(Deficiency) surplus of revenue over expenses	(488,709)	99,545
Operating (deficit) surplus, end of year	$ (461,117)	$ 27,592

See accompanying notes to the financial statements.

Western School Board
Balance Sheet - Operating Fund

June 30	2000	1999
Assets		
Current		
Cash	$ 40,659	$ 2,706,898
Receivables		
Grants, Province of Prince Edward Island	2,623,209	1,651,090
Miscellaneous	202,369	165,107
	2,866,237	4,523,095
Trust Funds (Note 4)	114,561	115,804
	$ 2,980,798	$ 4,638,899
Liabilities		
Current		
Payables and accruals		
General	$ 387,176	$ 367,355
Salaries and benefits	2,206,182	3,911,870
Province of P.E.I. - current operations	682,080	150,022
Deferred revenue	51,916	66,256
	3,327,354	4,495,503
Trust Funds (Note 4)	114,561	115,804
	3,441,915	4,611,307
(Deficit) Surplus		
Operating (deficit) surplus	(461,117)	27,592
	$ 2,980,798	$ 4,638,899

On behalf of the Board

____________________ Trustee ____________________ Trustee

See accompanying notes to the financial statements.

Western School Board
Balance Sheet - Capital Fund

June 30			2000	1999
Assets				
	Cost	Accumulated Depreciation	**Net Book Value**	Net Book Value
Land	$ 918,876		**$ 918,876**	$ 918,876
Buildings	60,451,997	$ 18,964,114	**41,487,883**	41,898,265
Furniture and equipment	9,795,510	8,102,607	**1,692,903**	1,991,651
Paving	251,172	139,395	**111,777**	22,290
Buses	6,340,203	4,935,801	**1,404,402**	1,361,868
Service vehicles	116,804	116,804		
	$ 77,874,562	$ 32,258,721	**$ 45,615,841**	$ 46,192,950
Surplus				
Capital surplus (Page 5)			**$ 45,615,841**	$ 46,192,950

On behalf of the Board

______________________ Trustee ______________________ Trustee

See accompanying notes to the financial statements.

Western School Board
Statement of Capital Surplus

Year Ended June 30	2000	1999
Capital surplus, beginning of year	$ 46,192,950	$ 41,221,938
Add:		
New school construction		4,713,303
Major renovations - buildings	653,410	839,055
Buses	329,219	371,851
Furniture and equipment		811,006
Paving	139,721	
	1,122,350	6,735,215
Deduct:		
Depreciation		
Buildings	1,063,792	1,074,314
Furniture and equipment	298,748	351,468
Buses	286,685	316,131
Service vehicles		
Paving	50,234	22,290
	1,699,459	1,764,203
Capital surplus, end of year	$ 45,615,841	$ 46,192,950

See accompanying notes to the financial statements.

1. Nature of operations

The Board operates as a not-for-profit organization that provides for primary and secondary education requirements for people within their jurisdiction.

2. Summary of significant accounting policies

Depreciation

Depreciation is recorded on the diminishing balance basis for buildings at the rate of 2.5% and furniture and equipment at the rate of 15%. Depreciation is recorded on the straight line basis for school buses at 12% and service vehicles and pavement at the rate of 20%.

Capitalization of fixed assets

Land, buildings, furniture and equipment are shown at values carried in the accounts of the former school boards at June 30, 1972 with subsequent additions at cost. Buses are recorded at cost. Effective July 1, 1995 pavement additions are shown separately in the Capital Fund. Prior to July 1, 1995, pavement additions were included with buildings.

Only those purchases which exceed $25,000 are capitalized in the Capital Fund. The total capital expenditures and related capital grants are reported on the Statement of Revenue, Expenses and Operating Surplus. The allocation of amounts capitalized is disclosed on the Schedule of Capital Expenditures (Page 9).

Schools constructed and renovated by the Prince Edward Island Department of Public Works and school buses purchased by the Provincial Government are recorded as property and equipment in the capital fund when title is passed.

Unfunded depreciation on property and equipment

Unfunded depreciation on property and equipment is a revenue amount offsetting depreciation expense. The Department of Education does not fund depreciation on a current basis.

Commitments

Included in payables and accruals are outstanding commitments of $62,927 (1999 - $98,957) pertaining to the school year for which the goods and services are to be received or provided subsequent to year end.

2. Summary of significant accounting policies (cont'd)

Inventories, at the lower of cost and net realizable value

Bus parts inventory in the amount of $159,112 (1999 - $138,346) and classroom supplies on hand have not been reflected on the Balance Sheet. All such supplies have been written off when purchased.

Vacation pay and service gratuities

No liability has been recorded in these financial statements for accrued but unpaid vacation pay and service gratuities. The Board receives direct funding from the Province of Prince Edward Island on an annual basis to cover such costs.

Deferred revenue

The unexpended portion of grants received for specific purchases is deferred and used for the related future purchases.

Pension plans

Instructional employees of the Board are members of defined benefit pension plans of the Province of Prince Edward Island. The expense of the Board is limited to current year contributions as any shortfall in funding of the pension plan is the responsibility of the Province of Prince Edward Island. Non-instructional employees are members of a defined benefit / defined contribution pension plan. The expense of the Board is limited to a matching contribution equal to the employee's portion. In addition, the Province of Prince Edward Island provides grants to fund the Board's portion of contributions to the pension plan.

3. Other revenue

	2000	1999
Interest	$ **41,248**	$ 35,478
Rentals	**26,871**	42,732
Sale of assets	**3,128**	5,274
Miscellaneous	**3,850**	113
	$ **77,097**	$ 83,597

4. Trust funds

Trust funds are comprised of contributions from various sources that are maintained by the Board. The interest that is earned on the contributions may be disbursed for specified educational purposes.

Western School Board
Schedule of Administration Expenses

Year Ended June 30	2000	1999
Advertising	$ 16,354	$ 20,443
Bank charges		407
Computer software	997	1,438
Courier services	19,504	17,625
Employee allowances	264	141
Freight and express	1,041	1,341
Graduation expenses	1,990	1,352
Insurance	62,033	63,697
Miscellaneous	2,925	1,237
Non-capital equipment	43,900	8,253
Photocopying	12,848	8,445
Postal services	17,750	17,071
Printing	31,215	32,496
Professional services	59,879	47,313
Public/staff relations	28,285	35,413
Rental - equipment/facilities	179	87
Student relations	9,913	6,065
Supplies	39,317	33,082
Telephone	163,657	169,982
Travel - staff	115,400	100,676
Trustee expenses	14,975	14,885
Trustee professional development	16,747	11,504
Trustee remuneration	30,150	30,150
	$ 689,323	$ 623,103

Western School Board
Schedule of Capital Expenditures

Year Ended June 30	Greater than $25,000	Less than $25,000	**Total 2000**	Total 1999
Audio visual equipment		$ 5,077	**$ 5,077**	$ 2,257
Building new school				4,713,303
Building renovations	$ 653,410	63,798	**717,208**	902,462
Classroom equipment, furniture		7,350	**7,350**	849,539
Communications equipment		6,718	**6,718**	9,571
Computer equipment				
- administration		84,350	**84,350**	17,638
- program		17,804	**17,804**	40,964
- transportation		1,776	**1,776**	
Janitorial equipment		4,776	**4,776**	
Maintenance equipment		23,221	**23,221**	5,107
Miscellaneous equipment		2,302	**2,302**	4,402
Music equipment		15,384	**15,384**	24,251
Office/administration equipment & furniture				7,022
Paving	139,721		**139,721**	
Physical education equipment		1,910	**1,910**	5,370
Playground equipment		11,800	**11,800**	1,335
School buses	329,219	3,544	**332,763**	381,241
Service vehicles		47,575	**47,575**	18,407
Storage tanks		10,971	**10,971**	
Vehicle repair equipment				7,454
Vocational equipment		10,551	**10,551**	2,833
	$ 1,122,350	$ 318,907	**$ 1,441,257**	$ 6,993,156

The above totals are comprised of the following:

		2000	1999
Capital expenditures		**$ 609,632**	$ 614,754
Special projects	- school repairs	**831,625**	854,093
	- new school construction		5,524,309
		$ 1,441,257	$ 6,993,156

Western School Board
Schedule of Instructional Expenses

Year Ended June 30	2000	1999
Program		
Art	$ 10,628	$ 15,515
A/V services	23,840	15,926
Career and technology studies	18,228	15,007
Computer literacy	9,734	10,400
Computer software	2,432	1,535
Co-operative education	128	145
Drama	1,223	2,477
Duplicating	146,421	137,617
English/language arts	1,465	2,222
Enrichment education	107	192
Family living/home economics	11,793	12,638
French	2,439	1,530
Guidance	5,818	6,430
Health/first aid	2,739	2,675
Industrial arts	42,487	21,461
Language development		296
Library/resource centre	55,105	44,378
Mathematics	657	917
Miscellaneous	303	368
Music	66,028	37,856
Non-capital equipment	67,923	32,447
Occupational education	1,729	2,245
Physical education	29,829	33,598
Resource room/remedial	1,721	2,306
School psychologist	3,458	
Science	11,633	13,825
Social studies	610	1,027
Special education	11,502	6,317
Supplies	90,889	84,395
Vocational (agricultural)	122	157
Vocational (business)	1,681	1,935
Vocational (carpentry)	15,943	17,767
Vocational (computer repair)	1,064	850
Vocational (cosmetology)	3,568	3,909
Vocational (drafting)	1,548	
Vocational (electronics)	1,592	2,468
Vocational (graphics)	10,080	6,856
Vocational (motor vehicle)	11,387	10,881
Vocational (small engines)	21	1,319
Vocational (welding)	16,035	14,482
	$ 683,910	$ 566,369

Western School Board
Schedule of Professional Development Expenses

Year Ended June 30	2000	1999
Administrative group	$ 3,340	$ 4,040
Instructional management	22,492	12,745
Little Red School House	4,320	4,274
Non-instructional management	4,312	2,554
Board consultants	2,351	478
Teacher assistants	943	1,380
School - supervisory	858	676
School teachers	10,929	11,760
Transportation group	4,968	9,338
School - admin support		638
Board Office - admin support	1,874	224
Maintenance group	2,590	610
	$ 58,977	$ 48,717

Western School Board
Schedule of Salaries and Benefits Expenses

Year Ended June 30	2000	1999
Board supervisory	$ 682,743	$ 549,412
Board administration support	454,544	430,451
School administration support	795,158	752,550
Instructional supervisory	3,846,662	4,080,875
Instructional non-supervisory	21,595,159	23,281,046
Teacher assistants	1,668,560	1,413,994
Maintenance and operation	2,329,422	2,304,782
Transportation	2,944,152	2,469,935
	$ 34,316,400	$ 35,283,045

Note:

Board supervisory salaries include superintendent, assistant superintendents, business director and consultants.

Board administration support includes board office, clerical and secretarial staff.

School administration support includes school secretarial staff.

Instructional supervisory salaries include principals, vice-principals, department heads and co-ordinators.

Instructional non-supervisory salaries include all teaching staff excluding those listed above.

Maintenance and operations salaries include building and maintenance supervisor, janitorial staff, and maintenance staff.

Transportation salaries include transportation supervisor, bus driver staff and bus depot staff.

Retirement pay and service gratuity expenses are included in the applicable expense categories above.

Western School Board
Schedule of Maintenance and Operation Expenses

Year Ended June 30	2000	1999
Building repairs	$ 315,245	$ 244,211
Contract cleaning	25,306	18,109
Electricity	604,015	591,212
Employee allowances	5,242	5,759
Equipment and furniture repairs	70,927	66,165
Fire department dues	300	300
Fuel - heating	687,942	434,372
Grounds	71,831	60,697
Insurance	60,883	60,188
Miscellaneous	204	830
Non-capital equipment	15,831	13,146
Professional services	362	
Property taxes	(1,261)	1,576
Rentals - equipment	10,938	28,098
Rentals - facilities	83,294	69,428
Security	13,557	8,158
Service contracts	64,599	59,369
Service vehicles - operating	6,780	4,154
Sewer charges	22,939	23,389
Snow removal	60,212	51,647
Supplies	147,057	170,367
Waste disposal	54,976	45,976
Water	13,094	15,976
	$ 2,334,273	$ 1,973,127

Western School Board
Schedule of Transportation Expenses

Year Ended June 30	2000	1999
Bus repairs	$ 160,308	$ 150,305
Communications	77,927	53,588
Contracted transportation	6,634	9,023
Electricity and employee allowances	2,620	3,145
Extra curricular	17,522	25,492
Fuel - diesel	270,198	227,514
- gasoline	18,349	23,872
Insurance	32,461	37,110
Miscellaneous	3,050	2,357
Non-capital equipment	1,262	5,515
Oil/lubricants	11,883	12,683
Professional services	12,294	6,127
Rental - equipment	15	201
Service contracts	1,103	291
Service vehicles - operating	1,119	569
Snow removal	6,760	3,894
Supplies	5,250	5,927
Tires	33,387	19,466
	$ 662,142	$ 587,079

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The Workers Compensation Board of Prince Edward Island
Financial Statements
December 31, 2000

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Auditors' Report

To the Members of the Board of The Workers Compensation Board of Prince Edward Island

We have audited the balance sheet of The Workers Compensation Board of Prince Edward Island as at December 31, 2000 and the statements of operations and unfunded liability and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2000 and the results of its operations and changes in its cash flows for the year then ended in accordance with generally accepted accounting principles.

Grant Thornton LLP

Charlottetown
Prince Edward Island
February 2, 2001

Chartered Accountants

P.O. Box 187
Suite 501
199 Grafton Street
Charlottetown
Prince Edward Island
C1A 7K4
Tel: (902) 892-6547
Fax: (902) 566-5358

The Workers Compensation Board
# of Prince Edward Island
Statements of Operations and Unfunded Liability

Year Ended December 31	2000	1999
Revenues		
Current assessments	$ 18,464,089	$ 17,290,165
Self insured employers (Note 11)	2,564,627	2,326,346
Investments (Note 5)	4,465,752	4,407,002
Recoverable administration fees and interest charges per Strait Crossing Joint Venture agreement	776,455	303,669
Recoverable administration fees and interest charges to self insured employers (Note 11)	578,954	612,319
(Loss) gain on disposal of fixed assets	(2,318)	122,339
	26,847,559	25,061,840
Expenditures		
Changes in actuarial assumptions and methodology (Note 7)	-	(567,780)
Expected increase and experience gains and losses (Note 7)	10,229,652	6,187,764
Claims costs incurred (Note 7)	12,516,182	12,149,766
Claims costs incurred self insured employers (Note 11)	2,564,627	2,326,346
	25,310,461	20,096,096
	1,537,098	4,965,744
Administration (Page 13)	4,194,897	3,985,241
Occupational health and safety, and other	563,424	574,669
Workers' Adviser Program (Note 10)	96,125	88,612
	4,854,446	4,648,522
Excess of expenditures over revenues	$ (3,317,348)	$ 317,222
Unfunded liability, beginning of year	$(27,771,374)	$(28,088,596)
Excess of expenditures over revenues	(3,317,348)	317,222
Unfunded liability, end of year	$(31,088,722)	$(27,771,374)

See accompanying notes to the financial statements.

The Workers Compensation Board of Prince Edward Island
Balance Sheet

December 31	2000	1999
Assets		
Receivables (Notes 3 and 11)	$ 7,034,828	$ 3,537,793
Investments (Note 5)	57,551,722	52,976,014
Capital assets (Note 6)	2,826,173	3,006,532
	$ 67,412,723	$ 59,520,339
Liabilities and Net Fund Deficiency		
Bank indebtedness	$ 5,145,304	$ 1,973,802
Payables and accruals	404,743	608,803
Vacation pay and sick leave payable (Note 13)	63,662	454,526
Benefits liabilities (Note 7)	91,727,878	82,868,238
Capital lease obligation (Note 8)	282,818	359,284
Debenture payable (Note 9)	877,040	1,027,060
	98,501,445	87,291,713
Net fund deficiency and unfunded liability	(31,088,722)	(27,771,374)
	$ 67,412,723	$ 59,520,339

Contingent liabilities (Note 12)
Other matters (Note 13)

On behalf of the Board

______________________ Chairman

______________________ Chief Executive Officer

See accompanying notes to the financial statements.

The Workers Compensation Board of Prince Edward Island
Statement of Cash Flows

Year Ended December 31	2000	1999
Cash flow from operating activities		
Cash received from:		
Employers for assessments	$ 18,434,406	$ 17,318,222
Self insured employers for assessments	2,588,064	2,251,593
Investments and other	4,473,091	4,404,948
Strait Crossing project account	(3,498,128)	731,675
	21,997,433	24,706,438
Cash paid:		
To claimants or third parties on their behalf	(16,450,821)	(17,024,787)
For administration requirements and other goods	(3,851,076)	(3,577,672)
	(20,301,897)	(20,602,459)
Net cash provided by operating activities	1,695,536	4,103,979
Cash flow from investing activities		
Cash received from:		
Proceeds on sale of capital assets	2,500	360,000
Cash paid for:		
Purchase of capital assets	(143,810)	(124,511)
Net cash used by investing activities	(141,310)	235,489
Cash flow from financing activities		
Cash (paid for) received from:		
Increase in bank indebtedness	3,171,502	1,973,802
Repayment of long term debt	(150,020)	(152,905)
	3,021,482	1,820,897
Net increase in cash and investments	4,575,708	6,160,365
Cash and investments		
Beginning of year	52,976,014	46,815,649
End of year	$ 57,551,722	$ 52,976,014

See accompanying notes to the financial statements.

The Workers Compensation Board of Prince Edward Island
Notes to the Financial Statements
December 31, 2000

1. Nature of operations

The Workers Compensation Board (the Board) was established by the Prince Edward Island Legislature in 1949 under the Workers Compensation Act (the Act). The Board is responsible, in accordance with the provisions of the Act, for administering the payment of benefits to or on behalf of recovering workers; levying and collecting assessment revenues from established classes of employers in amounts sufficient to cover the current and future costs of existing claims; and investing funds, following investment policies which are approved by the Board within the guidelines established by the Act, and for administering the Occupational Health and Safety Act. On January 1, 1995 the current Act became effective.

The Board does not receive government funding.

2. Summary of significant accounting policies

Cash and investments
Cash and investments include cash on hand and balances with banks, net of bank overdrafts, and the Board's share of investments held in a pooled fund with the Workplace Health, Safety and Compensation Commission of New Brunswick. Bank borrowings are considered to be financing activities.

Accrued assessments receivable
At the beginning of each year, an assessment is levied on employers by applying industry assessment rates to their estimated payrolls. During the year, employers' actual payrolls may vary from their estimate, therefore, at year end, accrued assessments receivable are adjusted based on payroll adjustments from the prior year.

Investments
Fixed term investments are carried at amortized cost. Gains or losses realized on disposal of fixed term investments are amortized on a straight line basis over a nine year period, which approximates the period to maturity.

Equity investments and option contracts are stated at moving average market value. A portion of unrealized gains and losses occurring during the year, together with gains and losses realized on disposal of equity investments, are deferred and amortized on a straight line basis over a five and four year period.

Capital assets
Property and equipment are reported at cost and are depreciated over their estimated lives on the straight line basis for building and computer equipment under capital lease and on the declining balance basis for furniture and equipment, computer programs, and motor equipment. The rates used are as follows:

Building	40 years, straight line
Furniture and equipment	10%, declining balance
Computer programs and equipment	20%, declining balance
Motor equipment	30%, declining balance
Computer equipment under capital lease	5 years, straight line

2. Summary of significant accounting policies (con't)

Benefits liabilities
An independent consulting actuary completes a valuation of the components of the benefits liabilities of the Board on an annual basis.

The benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for claims which occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation policies and/or administrative practices in respect of existing claims. No provision has been made for future claims related to latent occupational disease because they cannot be reasonably estimated.

3. Receivables

	2000	1999
Assessments	$ 790,092	$ 512,133
Accrued assessments	(46,500)	201,776
Other	7,899	15,238
Self-insured employers	213,567	237,004
Strait Crossing Joint Venture (Note 4)	6,069,770	2,571,642
	$ 7,034,828	$ 3,537,793

4. Strait Crossing Joint Venture

An actuarial valuation was completed in May 2000 for the period ended December 31, 1999 to determine the benefits liabilities owing concerning the Strait Crossing Joint Venture agreement. The receivable balance at December 31, 2000 reflects the result of this adjustment and accrued interest owing on the balance calculated to December 31, 2000.

5. Investments

	2000	1999
Money market	$ 1,802,075	$ 6,014,404
Fixed term investments (market value - $21,639,066; 1999 - $17,497,716)	23,257,381	20,058,707
Equities (market value - $39,299,300; 1999 - $36,932,791)	36,310,354	29,038,820
	61,369,810	55,111,931
Deferred realized investment gains	(3,818,088)	(2,135,917)
	$ 57,551,722	$ 52,976,014

Deferred realized investment gains

Balance, beginning of the year	$ 2,135,917	$ 4,542,161
Realized net investments gains for the year	4,591,243	182,168
	6,727,160	4,724,329
Amortization to investment income	(2,909,072)	(2,588,412)
Balance, end of the year	$ 3,818,088	$ 2,135,917

Investment income

Earned during the year	$ 1,713,812	$ 1,334,946
Amortization of deferred realized investment gains	2,909,072	2,588,412
Amortization of deferred unrealized investment gains	62,610	739,510
	4,685,494	4,662,868
Less: Portfolio management expenses	(219,742)	(255,866)
	$ 4,465,752	$ 4,407,002

Derivative financial instruments

Certain of the Board's external investment portfolio managers may from time to time utilize derivative financial instruments where appropriate to increase portfolio diversification, reduce interest rate and foreign currency volatility and enhance overall investment returns. At December 31, 2000, no derivative financial instruments were included in the investments.

5. Investments (con't)

Investment Agreement

The Board has entered into an Investment Agreement (January 1995) for the management of its investment assets with those of the Workplace Health, Safety and Compensation Commission of New Brunswick. These financial statements report the Board's proportionate share of the investment assets held in the pooled fund which was 9.4% at December 31, 2000 (1999 – 9.4%). The Board pays a fee to the Workplace Health, Safety and Compensation Commission of New Brunswick for the administration of the combined investments.

6. Capital assets

			2000	1999
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 368,460		**$ 368,460**	$ 368,460
Building	1,219,402	$ 133,863	**1,085,539**	1,092,159
Furniture and equipment	1,370,512	554,768	**815,744**	807,391
Computer programs	1,237,979	952,648	**285,331**	356,664
Motor equipment	47,792	32,690	**15,102**	21,574
Computer equipment under capital lease	1,057,655	801,658	**255,997**	360,284
	$ 5,301,800	$ 2,475,627	**$ 2,826,173**	$ 3,006,532

7. Benefits liabilities 2000 1999

An analysis of the components of and changes in benefits liabilities is as follows:

	Short Term Disability	Long Term Disability	Health Care	Rehabilitation	2000 Total	1999 Total
Balance, beginning of year	$ 4,483,852	$67,209,722	$ 9,444,486	$ 1,730,178	**$ 82,868,238**	$ 79,796,929
Decrease in actuarial assumptions and methodology	-	-	-	-	**-**	(567,780)
Actuarial adjustment for Strait Crossing Joint Venture agreement	-	2,542,659	-	-	**2,542,659**	-
Expected increase and experience gains and losses	191,316	6,013,814	2,807,733	1,216,789	**10,229,652**	6,187,764
	4,675,168	75,766,195	12,252,219	2,946,967	**95,640,549**	85,416,913
Claims costs incurred	4,338,239	3,582,721	3,604,202	991,020	**12,516,182**	12,149,766
	9,013,407	79,348,916	15,856,421	3,937,987	**108,156,731**	97,566,679
Less: Claims payments made	4,527,131	6,379,921	4,200,552	1,321,249	**16,428,853**	14,698,441
Balance, end of year	$ 4,486,276	$72,968,995	$11,655,869	$ 2,616,738	**$ 91,727,878**	$ 82,868,238

An independent actuarial valuation of the components of the benefits liabilities as at December 31, 2000 was completed.

Changes in actuarial assumptions and methodology

During 1999 actuarial valuations certain of the assumptions and the methodology used in prior years were changed. The monetary effect is allocated as follows:

	2000	1999
Change in the mortality tables	**$ -**	$ 41,230
Change in economic assumptions	-	(45,781)
Change in valuation of hospital and medical aid costs	-	(563,229)
	$ -	$ (567,780)

The monetary effect of the changes in actuarial assumptions and methodology is reflected in the applicable year.

7. Benefits liabilities (con't)

Benefits liabilities of self-insured employers are not included in the benefits liability. These liabilities will be borne by those employers when paid in future years, they do not add to the Board's unfunded liability or its net fund deficiency.

Included in the long term disability benefits liability at December 31, 2000 is $4,451,716 (1999 - $2,289,134), which relates to Strait Crossing Joint Venture. During the year, the Board had an actuarial study completed as at December 31, 1999 relating to the Strait Crossing Joint Venture agreement as set out in the contract between the Board and Strait Crossing Joint Venture. The actuarial valuation calculated the benefits liability to be $4,831,793. The Board recorded the actuarial adjustment in the current year. As no valuation was performed on this particular component of benefits liabilities as at December 31, 2000 the Board has estimated the amount.

8. Capital lease obligation

Future minimum lease payments under the capital lease of computer equipment as at December 31, 2000 are as follows:

2001	$ 134,556
2002	127,812
2003	127,812
	390,180
Less: Amount representing	
Interest	59,986
Maintenance costs	47,376
	$ 282,818

9. Debenture payable

	2000	1999
Unsecured, 5.73% debenture maturing in 2001, amortized to 2006 payable in equal weekly payments of $2,885 plus interest.	$ 877,040	$ 1,027,060

Principal repayments due in each of the next five years are as follows: 2001 - $150,020; 2002 - $150,020; 2003 - $150,020; 2004 - $150,020; 2005 - $150,020.

10. Related party transactions

The Board is required by the Act to provide an annual grant to the Workers' Adviser Program.

The Board is required by the Act to pay the operating costs of the Appeal Tribunal.

11. Self insured employers

These financial statements include the effects of significant transactions carried out for self-insured employers, principally Government of Canada and Government of Prince Edward Island, who directly bear the costs of their own incurred claims and an appropriate share of administration expenditure. Total amounts of such assessment revenue and offsetting expenses included in the statements of operations and unfunded liability are as follows:

	2000	1999
Current assessment revenue	**$ 2,564,627**	$ 2,326,346
Administration fees and interest charges recoverable	**578,954**	612,319
	$ 3,143,581	$ 2,938,665
Claims costs incurred		
Short term disability	**$ 365,043**	$ 382,023
Long term disability	**1,520,224**	1,379,818
Health care	**630,962**	500,526
Rehabilitation	**48,398**	63,979
	2,564,627	2,326,346
Administration fees and interest charges	**578,954**	612,319
	$ 3,143,581	$ 2,938,665

12. Contingent liabilities

Claims
The Board is currently seeking clarification on Subsection 50(4) of the Workers' Compensation Act. This section states that:

> Where a worker is not in receipt of a permanent partial or total disability pension based on a medically assessed disability and was assessed on a wage loss benefit basis after January 1, 1992, but before the date this section comes into force, the wage loss benefits will be payable until
> (a) the loss of earnings capacity ends, as determined by the Board; or
> (b) the worker attains the age of 65 years, provided that where the worker was 63 year of age or older at the commencement of his or her loss of earning capacity, the Board may pay the wage loss benefits for a period of time not to exceed 24 months from the date of the accident.

The Board has been applying this section retroactive to January 1, 1992. The Board has been advised that the legislation which became effective January 1, 1995 is not clear as to the retroactivity to January 1, 1992. It is the Board's intention to refer the matter to the courts. The outcome of the courts' decision is not determinable. The financial implications of paying benefits to the claimants affected would be approximately $14.1 million. This amount is based on a preliminary actuarial valuation and could change when the final valuation is completed.

Latent occupational diseases
The Board is liable for the future costs of claims relating to certain latent occupational diseases which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. Because of the absence of reliable evidence and data pertaining to these matters, the liabilities cannot be reasonably estimated and have not been recorded in the financial statements.

13. Other matters

An action has been commenced by Strait Crossing Inc., et al, disputing the amount of claim costs calculated regarding the Strait Crossing Joint Venture agreement and the related adjustment to the receivable (Note 3). The result of the action is not determinable at this time.

As per new guidance provided by Section 3461 of the CICA Handbook on employee future benefits, the Board is not required to accrue a liability for sick-pay benefits that accumulate but do not vest. Accordingly, a liability of $388,774 was reversed to salaries – staff members during the year.

14. Comparative figures

Certain of the 1999 comparative figures have been reclassified to conform with the presentation adopted for 2000.

The Workers Compensation Board of Prince Edward Island

Schedule of Administration Expenditures

Year Ended December 31	2000	1999
Building operating cost	$ 112,480	$ 77,321
Computer maintenance	153,996	135,405
Depreciation	319,351	359,355
Dues and fees	38,292	41,368
Interest on capital lease	42,298	51,380
Interest on debenture	54,628	63,120
Miscellaneous	36,794	38,359
Motor vehicle	7,355	10,014
Postage	110,304	85,979
Printing and office supplies	140,429	153,794
Professional development	42,264	23,582
Professional fees	746,611	397,651
Salaries		
Board members	94,356	90,290
Staff members (Note 13)	1,701,915	1,889,312
Benefits	335,678	312,406
Telephone	110,921	88,649
Travel	147,225	167,256
	$ 4,194,897	$ 3,985,241